

Woman's career imperilled by false information at Yard

By Stewart Tandler

False information kept on Special Branch files about a young woman filmmaker was disclosed to a potential employer and nearly ruined her career, BBC television's *Panorama* programme said last night.

The mistake was discovered only because the woman's father had been an officer at Scotland Yard and used his influence to find out what had happened. A senior member of the Special Branch apologized, adding that but for the intervention of the father nothing would have been done.

The case of Mrs Jan Martin was revealed in the second of two programmes on the work of Britain's espionage and intelligence services. Entitled *The Right to Privacy—the Need to Know*, last night's programme forewarned the publication today of Lord Diplock's report on telephone tapping.

During the programme Mrs Martin said she first found out about the Special Branch file when she began work for Mr Michael Barratt, the television broadcaster, and his private film company. A prospective client, a building company, said that it would not want to employ her because it had found her to be a security risk.

Eventually Mrs Martin's father, a former detective chief superintendent, found that she had been placed on file after an innocent visit to Holland. She and her husband were travelling through the country

Shortly after an incident involving the Baader-Meinhof terrorist group. They stopped at a restaurant and someone wrongly identified her husband as a well-known member of the gang. The couple's car was in Mrs Martin's name, and it was her name that went back to Scotland Yard for inquiries.

Mrs Martin said that she felt at one stage that her career was finished because the false information would dog her. "If one company could get that information, then every other company could get it," she said.

Examining telephone tapping, the programme interviewed Mr Lee Tracey, who claims to have worked for the security services. Mr Tracey said that he carried out tapings, known as "black bag jobs", which were conducted by whatever means he could devise and without a warrant.

Mr Tracey said he did about 70 tapings a year in Britain, and overall about 500 to 600 during his career.

Mr Morlyn Ross, speaking of his time as Home Secretary in the last Labour Government, said all warrants for tapping were personally signed by him.

He said he accepted the dangers surrounding the gathering of information in the age of the computer. There was need for some form of protection, although in the case of the police protection of privacy called for something other than a data protection group or a privacy Bill.

Shop issue in dismissals test case

By Marcus Collins Legal Correspondent

The case of three railwaymen dismissed by British Rail for refusing to join a union comes before the European Court of Human Rights in Strasbourg today.

They are seeking a decision by 21 judges at their dismissal is a breach of the European Convention on Human Rights.

In June 1979, the European Commission on Human Rights found that there had been a contravention of article 11 of the convention which guarantees the right to freedom of association, including the right to join trade unions.

The men's claim is opposed by the British Government, represented by Mr Ian Percival, the Solicitor-General.

The Railways Association, which is the men's union, sees it as a test case for the legality of the closed shop. But the commission's decision last June did not say that a closed shop was such a breach of the convention.

The Government is clearly embarrassed by the case. The men, Mr Neil James, Mr John Young, and Mr John James, are completely unopposed by the Trade Union and Labour Relations Act of 1974 and 1976, brought into force in 1979, which gave them a claim for unfair dismissal, it would not give them their jobs back. They



Mr Noel James leaving Victoria for Strasbourg yesterday.

effects. The Employment Act, 1980, provides that dismissal for not joining a union where there is a closed shop shall be unfair if the worker has an objection on grounds of conscience or deeply held personal conviction.

The men are arguing that that does not go far enough. Although the new law might give them a claim for unfair dismissal, it would not give them their jobs back. They

contend that the right to join a trade union under article 11 includes the right not to join a union.

If the court were to accept that reasoning, and make a judgement accordingly, it would mean that all closed shops would be contrary to the convention. Such a ruling would be a grave embarrassment to the Government, but it is extremely unlikely that the court would go that far.

Britain to sign treaty on computer data

By Frances Gibb

The Government is expected shortly to announce that Britain will sign the Council of Europe convention which provides safeguards for citizens against the misuse of personal information stored in computers.

The decision will be welcomed by industrialists, computer users, the medical profession and civil libertarians, all of whom have become increasingly concerned at lack of government action since the Lindop committee reported on data protection in 1978.

Although the signing commits Britain in principle to changing domestic law to bring it into line with the convention, in practice there is no parliamentary time this session for legislation to enable the Government to ratify the convention.

Mr Dudley Smith, Conservative MP for Warwick and Leamington, who has been pressing the Government over its inaction, said yesterday he would welcome the signing. "This shows good faith. We ought to have been among the first to sign it."

He said he expected that among the legislation fore-shadowed in the Queen's Speech at the beginning of the next parliamentary session would be a Bill on data protection.

"I and others will be using our very best endeavours to making sure that this comes about. If the Bill is not brought in at that stage, one starts running into difficulties over lack of time through being too close to a general election."

The British Medical Association said it would press for effective legislation to be introduced soon.

The convention, which was open for signing at the end of January, comes into force after five member-states have agreed to be bound by it. It has been signed by France, West Germany, Sweden, Denmark, Austria, Luxembourg and Turkey.

Parties to it must not only ensure their domestic law enshrines its principles but also establish sanctions and remedies for violations of that law.

Revival hope for seven defunct arts magazines

By Martin Huckerby Music Reporter

The group of arts magazines which was forced to close when Hansom Books went into liquidation last autumn may be resurrected as the result of an offer to the liquidator from a Croydon printing company.

Dance and Dancers, Music and Musicians, Plays and Players, Art and Artists, Books and Bookmen, Films and Filming and Records and Recording collapsed after the death of the owner and founder of Hansom Books, Mr Philip Dossé, amid heavy debts incurred by the company.

It had been thought that the rides were doomed and efforts were made to launch substitute publications in several fields. However, Mr John Percival, an associate editor of *Dance and Dancers*, who was involved in a scheme to produce a new dance magazine, said the printing company, which he could not name, was negotiating to buy all the titles.

He said the Croydon company had made a conditional offer, which had been accepted. One condition was that a sufficient number of the former editorial staff of the magazines would collaborate in the new venture.

Efforts were being made to get in touch with the various writers, who have dispersed since the collapse of Hansom Books.

Mr Percival said that as far as *Dance and Dancers* was concerned, the staff would almost certainly cooperate.

16 police officers accused

Sixteen police officers and four garage directors appeared in court at Hertford yesterday on a total of 65 corruption charges.

Their appearance follows an investigation into allegations that garages made improper payments to motorway patrolmen for calling them to breakdowns.

The offences are alleged to

have taken place between January 1977 and last May, while the officers, who include one woman, were based at Garston Park, Hertfordshire. The accused garage directors come from St Albans, Hemel Hempstead and Leavesden Green.

The case was adjourned until June 8, when committal proceedings are expected to start.

Pressure for equality in midwifery

By Lucy Hodges

The Government is coming under increasing pressure to give men the same opportunities as women to become midwives, as is stipulated in directives drawn up by the EEC.

Last week Mr Roland Boyes, Labour MEP for Durham, took the case of a man who has been trying to become a midwife for the past five years.

Mr Norman Imms, of Peterlee in Durham, telephoned his local authority hospital recently to ask for midwifery training in view of the EEC rules.

He was rejected by Sunderland maternity hospital on the grounds that he was a man and that the only places allowed to take men, under the Department of Health and Social Security regulations, were a hospital in London and a hospital in Scotland.

Mr Boyes in a letter to Mr Patrick Jenkin, Secretary of State for Social Services, says it is discriminatory and unjust that Mr Imms should have to travel to London or Scotland for midwifery training.

At the same time Mr Boyes wrote to the legal division of the EEC for its opinion.

Mr Boyes is hoping that the EEC will put enough pressure on the Government to change the law and if necessary take the United Kingdom to the European Court of Justice in Luxembourg. If the EEC does not do this Mr Imms is prepared to go to court himself.

Government pledge on BR policy

By Michael Bailly Transport Correspondent

The Government has no intention of closing loss-making railways and substituting buses, Mr Norman Fowler, Secretary of State for Transport, said last night.

But substitution was the policy of the previous administration but the Government's policy was to make the railways more effective, he said in Granada Television's *World In Action* programme on Britain's decaying railways.

Transport economists had earlier criticised British Rail's huge subsidies as "financial suicide" for the Government, and a transfer of wealth from the poor to the rich.

According to a study carried out for Granada, more than half British Rail's fare revenue comes from the wealthiest fifth of the population. Only 13 per cent of fares come from the poorer 40 per cent.

The railways are used by richer people, Professor Christopher Foster, who helped draft Labour's Transport Act, 1968, said. "The poor have given up using them." Rail subsidies therefore go to the richer sections of the community, such as commuters around London, he said.

Both track and rolling stock are decaying at an alarming rate, according to internal British Rail studies quoted in the programme. More than 500 miles of track renewal is overdue, and it will take a hundred years to replace the existing diesel locomotive fleet at present rates.

Nurse was battered before alleged fall, doctor says

The death of Miss Helen Smith, a British nurse, in Saudi Arabia in May, 1979, was not accidental, according to a report from a Danish pathologist commissioned by her father, Mr Ronald Smith.

The nurse was said to have fallen from a sixth-floor balcony at a flat in Jiddah where Mr Richard Smith, a British surgeon, and his wife, Penelope, were holding an illegal drinks party.

The report, by Professor Poul Dalsgaard, compiled after a private post-mortem examination, concludes that Miss Smith had sexual intercourse before her death and she was battered before the alleged fall.

The report says Miss Smith, 34, Leeds, suffered severe injuries all over her body and she was further displayed around the thighs, probably to sexual activity of a "very rough character," as an injury on the left side of her head which caused brain haemorrhage, and which had been the cause of death.

The professor concludes: "The widespread blunt injuries to the face, body and extremities could not be accidental or accidental but must be attributed to violence extended by

one or more persons before the alleged fall. The results of this autopsy thus confirm the suspicion of a non-accidental death."

According to the report, there were widely distributed injuries of a mild to severe nature on Miss Smith's body, arms and legs, but they were apparently not "life-threatening."

The professor added that marks on her body were consistent with a fall on her right side from a moderate height, but were not consistent with a fall from 70ft on to a marble floor.

"This means that a fall from the sixth floor balcony can be excluded whereas a fall from a moderate height, maybe only a few feet, appears consistent with the findings."

Mr Smith, a former police officer, said last night: "This report confirms my initial suspicions that the Foreign Office is keeping the true details of the death secret. I now think the only way that the truth can be revealed is through a parliamentary select committee inquiry."

A police investigation on behalf of the Leeds Coroner has been conducted. A decision on an inquest is expected soon.

Council to close sixth form college despite protest

Our Education correspondent

The Government has decided to allow Harrow Borough Council to close Pinner Sixth Form College, despite the protest of thousands of parents' of other maintained sixth-forms in the country to close.

Harrow Council set up fiveleges seven years ago to provide sixth-form education to 15 to 18 year olds in the borough. However, the falling number of secondary school pupils, combined with a fall in the number of pupils choosing to stay on in full-time

education after 16, has led to unfilled places.

"We really could not justify keeping five colleges open," Mr Graham Bines, chairman of the council education committee, said yesterday. "Pinner was chosen for closure because it had fewer pupils, putting it as their first choice than the other colleges."

A petition containing 19,000 signatures and 140 letters containing a further 35,000 signatures were sent to Mr M. Ark Cartledge, Secretary of State for Education and Science, appealing to him not to give his approval to the college's planned closure in August, 1982.

YOUR GREATEST ASSET, OR YOUR BIGGEST LIABILITY?

How do you regard your company fleet? As a sound investment—or a large, heavy blockage in your cash flow?

What do you feel about running a distribution business alongside your real business? A fascinating diversion—or a journey to the back of beyond?

These days many companies are discovering you don't need to own a fleet to enjoy a cost-effective distribution service.

They have discovered National Carriers Contract Services.

CONTRACT SERVICES MAKES THE CASH FLOW

Naturally with Contract Services you don't have to invest your capital in vehicles. But what if you're already 'lumbered' with a fleet?

National Carriers will buy your vehicles from you at a fair price and then contract hire them back to you. So you get a tidy sum of money

released for the more demanding sectors of your business.

And what's more we'll do the same for any warehousing facilities you're currently operating.

Being a large company, National Carriers have considerable purchasing power. It's simple economies of scale. And we reflect these savings in our hire charges.

Budgeting is simple. Every four weeks you receive a known invoice.

So you can plan your distribution expenditure as a regular cost.

YOUR DISTRIBUTION HANDLED BY EXPERTS

Contract Services will analyse your particular requirements and devise the most cost-effective way to meet them.

Then we'll do it all for you.

We will take full responsibility for maintenance—

including replacement vehicles and can provide drivers too if required. We will also tax, insure, garage, fuel and even paint the fleet in your own company livery.

In addition we'll do all the administration and paperwork. So you can concentrate on the business you know best.

Why not contact your local National Carriers representative for full details.

Whatever your fleet size he will show you just how to make contract hire work for you.

Just ring one of these numbers.

Head Office: Brian Templar 0234 67444. Eastern Region: Jim Verdin 0733 41120. Western Region: Vince Spalding 0272 276651. Northern

Region: Jack Torevell 061-832 2488.

THE CONTRACT HIRE SPECIALISTS.

National Carriers Ltd., Group Head Office, The Marton Centre, 43 St. Peters Street, Bedford MK40 2LB.

NATIONAL CARRIERS
CONTRACT SERVICES

NATIONAL CARRIERS KNOW HOW.

A member of the APC National Freight Company Limited.

Airline asks unions for 1,100 job cuts

By Donald Macintyre
Labour Reporter

British Airways, which faces losses of about £100m over the current financial year, has told union officials it wants cuts of more than 10 per cent among engineering and maintenance staff over the next 13 months.

Detailed proposals outlined to the unions, who claim that engineering and maintenance staffs have been cut so far from 11,000 to 9,000, involve the further loss of about 1,100 personnel, including 800 skilled craftsmen.

The proposals have come to light at the same time as the separate annual pay negotiations which the financially troubled state airline is conducting with all staff. They are part of a publicly declared redundancy programme which management began 18 months ago.

Overall, the programme also involves a planned 15 per cent reduction in 54,000 administrative areas, and a 300 cut in management personnel. British Airways emphasized that previous reductions have been achieved without compulsory redundancies.

Under the programme the airline is scheduled to reduce staff totals to 52,600 by this month. By December, 1980, it had effected a 7 per cent reduction to 54,000, and by August, 1979, total of 58,000.

In the case of engineering and maintenance staff union officials are likely to argue that it may be difficult for them to achieve the job losses without compulsory redundancies.

Meanwhile, union officials representing 20,000 engineering and ground services staff are expected to consider their next step on Thursday after rejection by their negotiators of a pay offer.

The state airline has warned the unions that it will not raise its 8 per cent offer, delayed for three months from the normal starting date in January, and a corresponding increase in shift premiums from July.

Shop stewards successfully led a one-day strike at Heathrow on January 23 in protest at the offer, but pulled back from a second stoppage on February 20 after late night pay talks.

At present engineering and maintenance staff are strongly resisting the offer, but it was thought that those representing at least some of the ramp and ground services staff may be leaning towards a settlement.

Representatives of about 16,000 staff are also to consider what is believed to be a recommendation for acceptance of a broadly similar offer.

Barrister fights tax ruling on clothes expenses

Miss Ann Mallalieu, aged 35, a barrister, went to court yesterday to appeal against a tax commissioners' ruling that she was not entitled to tax relief on the cost of her work wardrobe, black dresses, white blouses, black shoes and tights.

Miss Mallalieu, a blonde, had told the commissioners that black did not suit her colouring and that she always wore more fashionable clothes outside work.

They had dismissed her claim for relief on the ground that her work clothes could be worn at any time.

Mr Andrew Park, QC, for Miss Mallalieu, asked Mr Justice Slade in the High Court, London, to quash the commissioners' decision.

The issue was a running sore between lawyers and the Inland Revenue, he said. Barristers were allowed relief on the cost of replacing wigs and gowns, but not on the rest of their "uniform".

Many were awaiting the outcome of the case with interest. Bar Council rules are that barristers must wear unobtrusive dark clothes, with white shirts or blouses. Women are advised to draw their hair back and up under their wigs and refrain from wearing conspicuous jewellery.

A judge may refuse to hear a barrister whom he thinks is immorally dressed, Mr Park said. Miss Mallalieu would find it impossible to practise if she did not comply with the rules.

The hearing of her claim, which is expected to last two days, continues today.

Spaces in places where planners once roamed

Some who claim to care about the environment are apt to describe Edinburgh as the holey city. The Scottish capital has more than its proper share of gaps, holes in the ground and razed zones where years ago bulldozers were busy knocking things down but where nothing has happened. Some development sites that never developed are now famous in a negative way, as sources worth watching. The Opera House, the international conference centre, hotels, office blocks and markets were all at one stage expected to rise from flattened sites that remain stubbornly and forlornly empty.

Of course, the planners cannot win. So many of the buildings that have been knocked down, the leading example being the St James Centre complex, aspects of which make Alcatraz look quite bijou.

Mr Ronald Gould, indefatigable spokesman for the environment for the Scottish Liberal Party, has an immense port-



Sir Derek Rayner surrounded by his strengthened team of Whitehall efficiency scrutineers.

Whitehall brief: Much bureaucratic blood spilt at No 10 in clash with Civil Service chief

Sir Derek Rayner asked to stay on in cost-cutting role

By Peter Hennessy

The main news about Sir Derek Rayner, joint managing director of Marks and Spencer, and the Prime Minister's part-time adviser on the elimination of waste, is that he is still there running his tiny staff from a suite in the Cabinet Office. Originally it was intended that he would be succeeded about now by a more permanent arrangement and allowed to return full time to his private sector employer.

The Prime Minister's office seems to have contemplated searching for a successor, but Mrs Margaret Thatcher asked him to stay on as her main instrument for curbing the proliferation of central government.

"Familiar faces are comforting and they could not identify an outside candidate with my background," he explains.

Sir Derek and the Prime Minister have reached a compromise. He will remain as a non-executive overseer of the reforms he has launched while,

during the next 18 months, his involvement in Whitehall will be gradually reduced. To compensate for his more frequent absence, his team under the day-to-day guidance of Mr Clive Priestley, his chief-of-staff, has been strengthened.

The additions are Mr Ian Beesly, a chief statistician on secondment from the Government Statistical Service, and Dr Elizabeth Thoms, a higher executive officer (A) on loan from the Civil Service Department whose PUS was won by a study of cutting infants.

They complement Sir Derek's original corps of Mr Priestley, a career administrator, and Mr David Allen, a member of the Government Economic Service.

Last week the Rayner team treated it almost as a personal affront when reminded that since Mrs Thatcher became Prime Minister in May, 1979, the cost of running central government has risen from £5,800m to £8,300m, an increase of 22 per cent. They swiftly pointed

out that thanks to the scrutiny programme of efficiency studies carried out by departments under Sir Derek's supervision, that growth was under attack.

The 29 scrutinies completed in 1979 identified economies of £67m and £23m in once-and-for-all savings. All but one of the 39 scrutinies of 1980 are complete and the savings should be even greater than the first tranche.

For 1981, 35 departmental scrutinies are planned in addition to the two trans-Whitehall investigations of support staff for research establishments and form-filling announced last week.

Since last speaking on the record to the Times in August, Sir Derek has acquired a battle scar which he makes no attempt to disguise. If he had had his way, his team would no longer be in the Cabinet Office but down the road in a new ministry devoted to achieving greater efficiency and economy and created by the disbandment of the Civil Service

Department and the integration of its functions into the Treasury.

"I did lose. I have not been persuaded I am wrong. I have not changed my mind. I am not uptight like a small child. I am going to do my best to make the new arrangement work," Sir Derek says in a manner far more genial than his statement appears in cold print.

Sir Derek compensated for his rare failure to secure total prime ministerial support by forcing changes in a bland first draft of last month's White Paper on *The Future of the Civil Service Department*.

He will not talk about it, but it is clear from several sources that there was much bureaucratic blood on the carpet in No 10 after a final and now almost legendary drafting meeting attended by Sir Derek and Sir Ian Bancroft, Head of the Home Civil Service, with the Prime Minister acting as referee.

As a result, the Civil Service Department still lives but it has

a fixed set of objectives against which its performance can be measured and a number of reforms dear to Sir Derek's heart, like the need to ensure that the future permanent secretaries know how to do as well as the policy maker in a ministry, have been publicly accepted by the Government.

When asked for his greatest failure to date, Sir Derek replied: "When I am dealing with longer term changes, like the shape of the central departments, the Civil Service is still reluctant to get ahead with things where I cannot immediately demonstrate the validity of the argument."

About his greatest success he has no doubt. "I have proven to my own satisfaction that the Civil Service is not the talent needed to bring about changes. As individuals, they have responded extremely well to what they have been asked to do."

Why as individuals and not as departments? Sir Derek laughs and debates to reply.

Dirty protest ends at Maze jail

From Christopher Thomas
Belfast

In an abrupt change of tactics, Republican terrorists inside the Maze prison, near Belfast, have stopped fouling their cells for the first time in three years.

A statement from the Republican press centre in west Belfast said the aim was to focus attention on the hunger strike by Robert Sands, which began on Sunday in support of five demands: no prison work, no prison clothing, no visits and mail, free association with other prisoners at all times, and restoration of lost remission.

There were 411 prisoners involved in the "dirty" protest at the Maze when the announcement was made. The 28 women at Armagh jail have also ended their dirty protest after 21 months.

Outside the jail, it has become clear that the Provisional IRA has also changed tactics. Sources indicate that the virtual ending of violence during the 53-day fast last year will not be repeated.

Although the dirty protest has ended, several hundred prisoners will continue to cover themselves in blankets instead of wearing prison clothes.

The four form of protest has now been reduced to the Irish and some republican sympathizers believe it has been counter-productive.

Large fines 'putting soccer fans in jail'

By Peter Evans
Home Affairs Correspondent

Football hooligans were being sent to prison because they could not pay the large fines imposed on them by the courts, Mr Steel, chairman of the Prison Officers' Association, said yesterday.

Mr Steel was giving evidence to the Commons Select Committee on the difficulties caused by a rising prison population.

Referring to security, Mr

David Evans, the union's assistant secretary, disclosed that some prisoners at Gartree maximum security prison in Leicestershire had been able to knock their fists through a wall to get into another cell.

Mr Steel thought, however, that some prisoners' security categories could be downgraded so they might be put into existing camps that had been converted into prisons.

Mr Evans said there had been several

outbreaks in the past 10 years. It was remarkable there had been no loss of life. Many night patrols, men who were not full-time prison officers but were recruited locally, were too old

for the job, Mr Steel said. Conservative MP for Birmingham, Edgbaston, was concerned about the cost of the "proliferation of yards" in prisons. Asked if he could confirm there was a prison with six yards, Mr Steel said he knew only of establishments where there were two.

Commissioners have made their first major acquisition of an urban site in Scotland by investing in the Nicolson Street plot scheme, helping out the district council which had not only lost the fight to drive a road through the area but had run short of funds.

A small part of the £2.5m cost of the redevelopment will come from dues received by the commissioners from oil pipelines which cross the forerchore from the North Sea.

Purists among the conservation lobby criticize some of the fine detail, but there is no doubt that this row of revitalized buildings has set an example for the area behind.

Regional report

Ronald Faux Edinburgh

veloper, the Post Office Staff Superannuation Fund, withdrew. The decision not to set up a Scottish assembly has apparently left Edinburgh with a glut of office space.

Probably the brightest sign that parts of the old town are emerging from a dark age of planning blight can be seen on the South-side, behind the extensive scaffolding in Nicolson Street. The district council's local plan admitted woefully that after 30 years of considerable planning activity the city centre, the road, like so much else had been abandoned.

Meanwhile, the Crown Estate

has begun behind Nicolson Street, people are moving back into the area, and the old town has not seen so much fresh paint, construction and hope for many years.

Man guilty of robberies involving £2m

Man guilty of robberies involving £2m

Four men were jailed for a total of 52 years at the Central Criminal Court yesterday and one pleaded guilty to charges said to involve the theft of nearly £2m in property and cash.

He is Mr Ronald Johnson, aged 33, of Holloway, north London, who admitted six robberies, and asked for 119 other robberies and burglaries to be considered. He was jailed for 15 years.

Mr John Kennedy, aged 31, of Hemel Hempstead, Hertfordshire, pleaded guilty to seven robberies, including snatching £500,000 in gems from International Diamond Sales at the Savoy. He was asked for 33 other offences to be considered, and was jailed for 15 years.

Mr George Jones, aged 42, of Mill Hill, north London, admitted eight robberies and one charge of wounding, and asked for 12 other offences to be considered, and was jailed for 15 years.

Mr John Hammond, aged 36, of Bath Street, City of London, admitted eight robberies and one charge of wounding, and asked for 12 other offences to be considered, and was jailed for 15 years.

Mr George Jones, aged 42, of Mill Hill, north London, admitted eight robberies and one charge of wounding, and asked for 12 other offences to be considered, and was jailed for 15 years.

Mr John Hammond, aged 36, of Bath Street, City of London, admitted eight robberies and one charge of wounding, and asked for 12 other offences to be considered, and was jailed for 15 years.

Mr George Jones, aged 42, of Mill Hill, north London, admitted eight robberies and one charge of wounding, and asked for 12 other offences to be considered, and was jailed for 15 years.

Mr John Hammond, aged 36, of Bath Street, City of London, admitted eight robberies and one charge of wounding, and asked for 12 other offences to be considered, and was jailed for 15 years.

Mr George Jones, aged 42, of Mill Hill, north London, admitted eight robberies and one charge of wounding, and asked for 12 other offences to be considered, and was jailed for 15 years.

Suffolk oil slick

Clearance began yesterday of 20 miles of Suffolk coastline between Kessingland and Thorpeness, affected at the weekend by an oil slick which has caused the death of many birds.

Flat fare of 10p

A flat fare ticket of 10p for any distance in the West Midlands is being tried every Monday and the next few weeks. The experiment started yesterday.

Radiation check

Radiation teams were called in yesterday when a lorry carrying nuclear waste overturned on the Wharfedale to Barrow road outside the Windscale nuclear works in Cumbria, but found the load intact.

Aerial greetings case

Mr Brian Bateson, a flying instructor of Wrea Green, near Preston, is being prosecuted by the Department of Trade for allegedly flying an 80ft biplane, greyed to his wife behind his aircraft.

Boy dies in fall

Joseph Cooper, aged 15, who disappeared from his home in Walsall, Leicestershire, over the weekend, was found dead yesterday by workers at an engineering factory, having apparently fallen through the roof.

Boxer fined £5

Chris Finnegan, aged 36, the former British and European heavyweight boxing champion, and his cousin Mr Dominic Finnegan, aged 33, a painter, were each fined £5 yesterday for being drunk in the West End of London.

Helicopter jailbreaker shoots two police near Belgian border

Estampuis, March 2—

A man who wounded two gendarmes near the Franco-Belgian border today has been identified as one of the prisoners who escaped by helicopter from the French prison of Fleury-Merogis last Friday, police sources said.

A third gendarme, taken hostage by two men in a car with French licence plates, was released shortly afterwards.

The sources said the gendarmes positively identified one of the car occupants as Gerard Dupuy, who had placed the prisoners in the first ever helicopter escape in French history.

The two gendarmes had stopped the car for a routine identity check when the occupants threatened them with guns trying to take them hostages, the sources said.

In the ensuing struggle shots were fired and one of the gendarmes was injured in the face. A third gendarme, who tried to come to their help was hit by a bullet in the chest. The car then drove off with one of the gendarmes. He was released a few miles further.

Throughout the weekend Belgian police have been patrolling the border area because French police had tipped them off that Dupuy's brother, Georges, who lives in Belgium, had been visiting him in the Fleury-Merogis prison a few weeks before the escape.

M Dupuy, who was serving a long sentence for armed robbery, escaped with Daniel Beaumont, also serving a long sentence for a similar crime.

Two of the accomplices hired a helicopter at Issy-les-Moulineaux, South of Paris, and then hijacked it, forcing the pilot to fly to the prison. Swooping over the walls of the star-shaped prison, the helicopter landed on a courtyard where inmates were playing football. There were no warders in sight.

The two prisoners quickly jumped into the helicopter and it took off within 30 seconds of landing before warders could sound the alarm.

Police said the pair could have been inspired by an American film, the *Breakout*, about a similar helicopter escape which was shown recently on French television.

The helicopter pilot, well known for his work with French film crews to film from his craft, was questioned yesterday and today by French police. They showed him more than 400 photographs but he could not identify the two men who rented his helicopter.

After the prison break, the first in France from the air, police reinforced security of the frontier, and closed airports and railway stations.

Lille police said that after the report from Belgium of the shooting and seizure of the Belgian gendarmes, French police dispatched more reinforcements to the Franco-Belgian frontier.—UPI.

King helped save democracy

Old guard in Spain failed to win support

From Richard Wigg
Madrid, March 2

Spain's military coup failed last week because of King Juan Carlos's leadership and because all the remaining influential social groups were opposed to an "old guard" representing the Franco regime, Professor Manuel Tunon de Lara, the country's best known left-wing commentator, writes in today's *Diario 16*, the Madrid daily newspaper.

"In July, 1936, the ruling classes were in conflict with the Popular Front and those who staged the uprising could count on very important support," Professor Tunon says. "But last week the big tanks, the big employers and the Catholic Church headed a majority of the country against those staging the coup."

Last Monday, however, many ordinary Spaniards could not see any difference. "After a terrible night pinned to the news on the radio we decided to go to Anderca," the woman who comes to clean my flat recounted. She had gone to the bank early on Tuesday morning to draw out her savings. As a young girl she remembered fleeing from Spain with her family towards the end of the civil war.

A girl student from Barcelona said: "Suddenly an official entered the library where I was reading and shouted 'the library is closing now—there's been a coup'. We were all bundled out, shocked, frightened and wondering what we would find tanks firing in the streets."

Both of these women attended Friday's mass demonstrations in defence of democracy in Madrid, when more than a million people turned out according to the police, and in Barcelona.

The King has already advised the politicians and the mass that they should not indulge in mutual criticism of the army and so make things worse.

The question most exercised public opinion is how a further coup attempt can be prevented. Señor Leopoldo Cal Sotelo, the new Prime Minister, has promised that the intelligence agency will be investigated.

The King has already advised the politicians and the mass that they should not indulge in mutual criticism of the army and so make things worse.

Andalusia agrees to plan for regional autonomy

Madrid, March 2.—Parliamentarians from Andalusia have agreed on plans to give home rule to the impoverished southern region under Spain's devolution scheme.

They voted yesterday for a statute of autonomy that would give the region, plagued by acute unemployment, powers similar to those already granted to the Basque country, Catalonia and north-western Galicia.

The statute would be submitted to the Madrid Parliament which is expected to pass it.

Under home-rule plans, Basque country and Catalonia last year elected regional parliaments and formed autonomous governments. Galicia approved home-rule plans in a referendum last year but still has to elect its parliament.—Reuters.

Italian politicians learn to take pensioners seriously

From Peter Nichols
Rome, March 2

The Chamber of Deputies approved last night a Finance Bill which covers the whole of state spending but was of interest mainly because of the rivalry among the parties to help old age pensioners.

For the first time the pensioners became an important issue. Towards the end of last week, there were fears that differences about better pensions might bring down Signor Arnaldo Forlani's argumentative coalition.

But the Prime Minister knew where to retreat and the Communist Opposition had no intention of seeing the Government toppled at the end of the special session last night. 326 voted in favour of the Bill and 257 against.

The Finance Bill has still to go to the Senate, but as far as public opinion is concerned it has accomplished its purpose. Basic pensions have been raised and they will be revised every four months in the light of changes in the cost of living index instead of every six months.

This decision places the pensioners ahead of the working

population whose index-related system of increases comes into effect once every six months.

The essential point is not so much that the pensioners have suddenly been placed in a vanguard position but that politicians have recognised their political importance. Some 18 million pensioners are paid in Italy, an average of at least one for every family.

A century ago young people up to the age of 29 were three times as numerous as those aged over 60; today the younger people have an advantage of just about two and a half million and in 1976 the forces were preponderant of the elderly in 2001.

Given that the Western economy is expected to degenerate increasingly to high technology, many of the traditional industries, the older people will be able to continue longer in the work force because of greater value than physical strength.

The estimated deficit this year of the main state pension fund will be some 17,711 lire (£8,750m) which is expected to be more than double in two years' time.

ST EUROPE

Kidnap fears
in Spain
over missing
footballer

From Harry Debelius
Madrid, March 2

Police set up a nationwide search today for a popular football player, Joaquin Castro, known to fans as "Quini", who disappeared on Sunday night in Barcelona. It is believed he may have been kidnapped.

Officials of the Barcelona club, for which he plays, said they had no knowledge of threatening letters which, some sources claimed, several players had received.

Señor Castro was due to have picked up his wife at Barcelona airport last night after his team's regular league match, but he failed to arrive.

When his wife returned to their home, she found the radio and television turned on, but her husband and his car—a whisky-coloured Ford Granada—were missing. Police found the car in another part of Barcelona today.



'Quini' Castro: Disappeared in Barcelona on Sunday.

For reasons which have not been explained, the footballer's absence was not formally reported to police until about noon, although a fellow player, advised by Señor Castro's wife that he was missing, told the police early this morning that the player's car had disappeared.

In Gijón, northern Spain, the missing player's brother, Jesus Castro, who is also a professional footballer, said he had no knowledge of any ransom demand, but he feared that his brother had been kidnapped.

Last January Señor Luis Sureda, a prominent Spanish industrialist, was seized from his office near Valencia, on Spain's east coast, about 200 miles south of Barcelona. Anonymous telephone callers claimed he had been kidnapped by the ETA organization but police were sceptical and suspected that common criminals were involved, rather than political activists. Señor Sureda is still missing and his family claim that no ransom demand has been received.

In two other recent Spanish kidnap cases, the ETA abducted a nuclear engineer and murdered him when the demand for the destruction of a nuclear plant under construction near Bilbao was ignored by the authorities.

In another case, the consuls of Austria, El Salvador and Uruguay in the Basque country were released last Saturday when the ETA political-military wing announced its intention of seeking a ceasefire.

More nuclear
protests at
Brokdorf likely

From Patricia Clough
Bonn, March 2

More anti-nuclear demonstrations like the one by 50,000 protesters at Brokdorf near Hamburg last weekend were promised today by the leader of West Germany's nuclear protest movement.

Herr Josef Leinen, head of the association of civic action groups said their campaign against the building of the Brokdorf nuclear power station would continue with siting and probably further mass demonstrations.

Some 10,500 police were deployed around Brokdorf during a three-hour battle with water cannon and tear gas against a hard core of protesters.

Paris opens its own Manhattan

From Charles Hargrove
Paris, March 2

The Quatre-Temps, claimed to be the largest commercial centre in Europe, was opened this morning at La Défense, the controversial futuristic complex of 21 tower blocks and high rise buildings, in the axis of the Arc de Triomphe, nicknamed Manhattan sur Seine, which has revolutionized—some would say spoiled—the traditional Paris skyline.

M. Giscard d'Estaing, when he was Finance Minister, was so shocked by the damage to the unique view of the Arc de Triomphe from the Louvre, where he had his office, that he got the Government to order the height of one of the towers to be reduced to 100m.

But much that was irreparable had already been done. It has now, for better or for worse, become as much a part of Paris as the Eiffel Tower which was equally controversial in its day.

La Défense is a vast complex of offices in a single block of flats each day, and of 7,000 flats which attracted Parisians because of their relatively cheap rents.

Earthquake speeds up
plans for large-scale
repairs to Parthenon

From Mario Modiano
Athens, March 2

The Greek Archaeological Service has decided to speed up its plan for a corrective operation on the Parthenon, because of the disturbance caused by last week's powerful earthquake in Athens.

The shock caused the entablature on the north-eastern corner of the temple to shift slightly in its place. At the same time the gaps caused by the joints by rusted iron clamps, became more pronounced.

The plan is to bring down this superstructure, replace the clamps with brackets made of a rust-free titanium alloy, then reassemble it and shift it back into position. The operation will be carried out later this year. Temporarily, the endangered cornice has been fastened in place.

It was announced today in the course of a press conference given by Mr Andreas Adrianopoulos, the Minister of Culture and Sciences, in the presence of Dr Nikolaos Yalouris, inspector-general of the Archaeological Service, and Dr George Doukas, curator of the Acropolis.

The minister said that, considering the intensity of the earthquake, the damage to antiquities had not been extensive. "The ancient buildings," he said, "withstood the shock better than the new ones."

The replacement of the iron dowels inserted in the marbles of the Acropolis monuments during past restorations, with a rust-free material, is now in progress. "Had we not completed this work on the western wall of the Parthenon," Mr Doukas said, "it would certainly have collapsed during the earthquake."

The lower drums of some five or six columns of the western and eastern colonades of the Parthenon had also shifted slightly, one centimetre at most, but there was no danger, he said.

Mr Mintoff is accused of
emulating Charles I

From Our Correspondent
Valletta, March 2

Dr Eddie Fenech Adami, the leader of the opposition Nationalist Party, lashed out at Mr Don Mintoff and his Labour Government at an extremely well attended mass meeting here yesterday.

At his address Dr Fenech Adami said that Mr Mintoff's court reforms Bill saying that the Government had taken the country hundreds of years back by assuming the stand taken by Charles I of Britain, who said that he was the king and therefore could do no wrong.

He recalled that the Labour Party's electoral programme had promised the introduction of an ombudsman and the right of individual petition to the European Commission of Human Rights and that everyone, including the Government, would be subject to the law. Nothing had come true, he remarked.

President's hand forced
by the opinion polls

Continued from page 1

or combination . . . I do not seek partisanship. I want to bring together the greatest possible number of Frenchmen . . . I shall not be a president-candidate, but a citizen-candidate," he concluded.

The President's announcement comes within 56 days of the first ballot on April 26. He had declared in his last television appearance at the end of last month that between 15 and 20 days before the polls was a "normal period to inform Frenchmen" of his aims and objectives. He had declared himself self sooner than he appears to have planned originally for two reasons: The first is the large fall in his personal score in opinion polls; the second is the pressure of the campaign, made by M. Jacques Chirac, the Gaullist candidate, since he entered the lists a month ago.

For some weeks now, the liege men of the Giscardian UDF, the coalition of parties that support the President, had become increasingly alarmed that the electoral stage should be monopolized by the Gaullists, socialists, and communists, and had been pressing him to declare himself.

President Giscard d'Estaing wanted to delay doing so as long as possible for the very obvious reason that once he became a candidate he would lose the position of authority and prestige which is properly that of the head of state, and would have to plunge into the electoral free for all. The only precedent under the Fifth Republic of a president seeking re-election is that of General de Gaulle in 1965.

He had declared that he would stand only one month before the polls, and only after some hesitation. He had refused to campaign and, much to his surprise, was forced into a second ballot by M. Jean Lecanuet, then in opposition, and M. François Mitterrand.

It was a monumental gamble which began in the 1960s, went through many ups and downs, and verged on financial catastrophe before it could be said, only a year or so ago, to have been definitely won by the architects and planners.

It is, in the words of the director-general of the EPAD, the public company set up to redevelop the area, a symbol of the extraordinary social and economic transformation of France in the past 20 years, as he said in La Monda today.

M. Raymond Barre, the Prime Minister, who opened the new commercial centre with a floor space of 105,000 sq metres—twice the area of the shops of the Champs Elysees—has always firmly believed in the future of La Défense.

He ordered an additional 700,000 sq metres of office space to be built there in 1973, when the property market was in the doldrums. By 1982, there will be nearly twice that amount of office space in use at La Défense.

The building's opening is a landmark. But 90 per cent of the available floor space has already been taken up by 160 different businesses including a supermarket of 12,000 sq

Perhaps the most serious loss during the earthquake, was the destruction of the small museum at Perabona, north of Corinth, which was near the epicentre of the shock, and the breaking of some 200 fine classical and archaic amphoras and lekythi in the National Archaeological Museum.

"But, not to worry," Dr Valouris said. "We have some of the best vase-menders in the world."

One of the Corinthian capitals of the columns of Olympian Zeus, a familiar landmark at the entrance of Athens, broke off during the tremor, while two more capitals had shifted position on the tall columns. They would be repaired.

Vertical cracks had also been noticed on the limestone frieze of the temple of Apollo on the island of Aegina, which curiously had occurred after the earthquake.

Mr Adrianopoulos said it was extraordinary that the antiquities of ancient Corinth, so close to the epicentre of the earthquake, had suffered no damage at all, nor had the local museum.

He said the Archaeological Service was already taking the appropriate measures to avert further damage in case of new earthquakes. "We lived under the impression that Athens was quite secure from earthquakes," he said. "No ancient author has ever recorded an earthquake in Athens. Besides, the fact that the Acropolis still stands is proof of this. Evidently we will have to revise our ideas."

Corinth tremor: An earthquake measuring 4.5 on the Richter scale was recorded by the seismological observatory in Athens today (Agence France Presse reports).

The observatory said the epicentre was in the same area—the Gulf of Corinth—asthose of recent earthquakes. Today's tremor apparently caused no casualties or damage.

In addition, Mr Sharon has recently tried to impress on his colleagues that concessions leading to an autonomy agreement now would be preferable to much more sweeping Israeli concessions.

It is understood that among suggestions which Mr Sharon and his supporters have considered in private are possible extensions to the proposed powers of the Palestinian autonomy council and a relaxation in Israeli demands for control of water rights in the West Bank.

OVERSEAS

Jerusalem
denies
Palestinian
compromise

From Christopher Walker
Jerusalem, March 2

Israeli officials today denied a semi-official Egyptian press report alleging that Mr Ariel Sharon, the Agricultural Minister, had proposed far-reaching concessions in an effort to break the deadlock over Palestinian autonomy and reach agreement before the June 30 general election here.

The report appeared in the Cairo magazine *Maya*, a new weekly published by President Sadat's ruling National Democratic Party. According to the magazine, Mr Sharon's proposals were put forward during a recent meeting with Mr Saad Mursad, the Egyptian Ambassador to Israel.

Senior officials in the Israeli Agriculture Ministry, however, acknowledged that a meeting between the two men had recently taken place, but they denied that any proposition had been put forward by Mr Sharon.

Although observers accept the denial that no formal concessions were proposed, it is widely known that Mr Sharon and some other ministers regard a breakthrough in the autonomy talks as possibly the only political card available to save the Begin coalition from defeat in June.

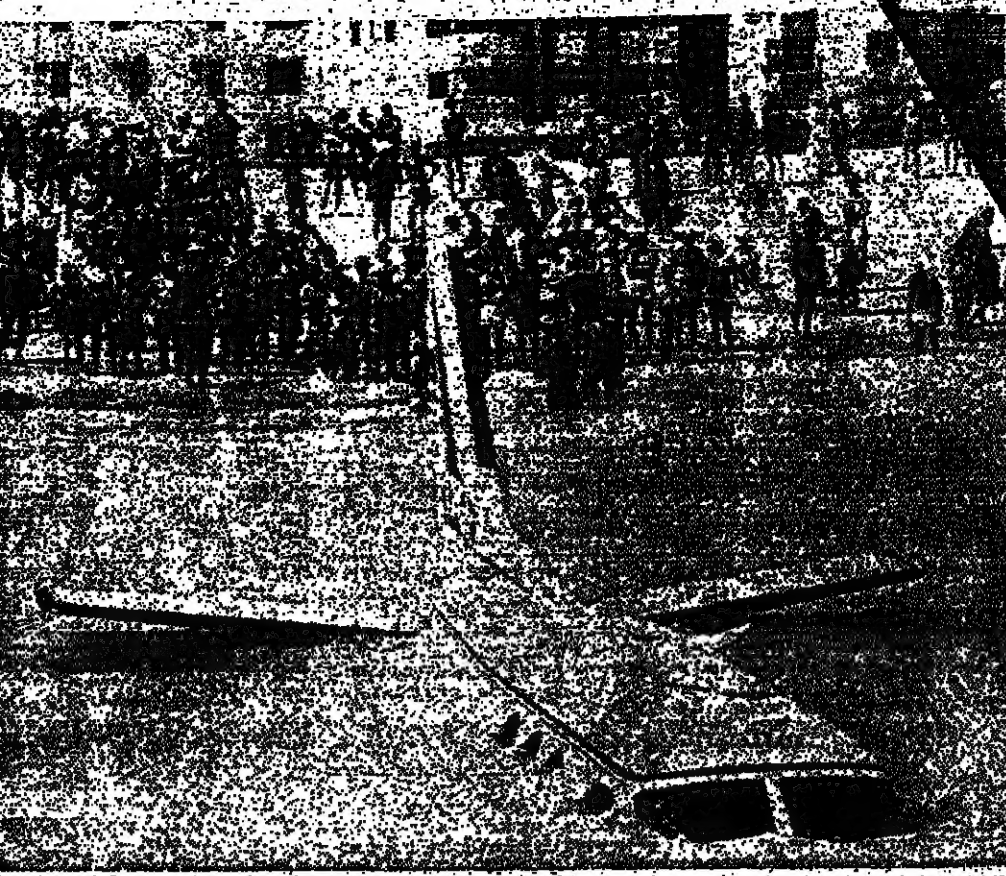
In addition, Mr Sharon has recently tried to impress on his colleagues that concessions leading to an autonomy agreement now would be preferable to much more sweeping Israeli concessions.

It is understood that among suggestions which Mr Sharon and his supporters have considered in private are possible extensions to the proposed powers of the Palestinian autonomy council and a relaxation in Israeli demands for control of water rights in the West Bank.

The southern Lebanese port of Sidon came under long-range shellfire this morning for the second consecutive day while a few miles south of the city, Israeli jets bombed targets in the village of Abu al-Aswad.

In the attack on Sidon seven people were injured and the city's water supply was cut by the shelling.

The bombardment was part of Major Saad Haddad's campaign against the Lebanese Government who, he claims, owe the



That sinking feeling overtook three men who had to ditch their aircraft at Miami Beach after engine failure. They escaped unhurt.

Lebanon shelled for second day

From Robert Fisk
Beirut, March 2

The southern Lebanese port of Sidon came under long-range shellfire this morning for the second consecutive day while a few miles south of the city, Israeli jets bombed targets in the village of Abu al-Aswad.

In the attack on Sidon seven people were injured and the city's water supply was cut by the shelling.

The bombardment was part of Major Saad Haddad's campaign against the Lebanese Government who, he claims, owe the

former soldiers in his militia back pay amounting to 20m Lebanese pounds (about £2.5m).

The air raid was of a more conventional kind. The Israeli authorities, announced afterwards, that their Air Force had scored "accurate hits" against Palestinian guerrilla bases in Abu al-Aswad although a statement issued later by the Palestine Liberation Organization in Beirut claimed that there had been no casualties in the attack.

Later reports said that several people had been hurt. It was the first Israeli attack of its size on southern Lebanon this year, a series of air and sea-borne raids that have so far cost the lives of 29 people, more than half of them guerrillas.

Palestinian raids: Palestinian missiles hit an Israeli frontier town today and wounded three people soon after the Israeli air raid into Lebanon, the military command said (AP reports from Tel Aviv). The first barrage hit Kiryat Shmonah in northern Galilee.

Troubleshooter tries to settle war at Amnesty

By Caroline Moorehead

A dispute affecting the internal running of the British section of Amnesty International is to come before a special commission of inquiry, headed by Peter Archer, QC, former Solicitor-General.

The commission is meeting to pronounce on an irreconcilable battle which has led to an occupation, a partial strike, several resignations and a dispute over the proposed new structure but against middle management charged with implementing it.

In January, the matter was before Amnesty's council, which supported Mr Desmond. Last month, the dispute having grown more acrimonious, it was once again brought before the council. This time it decided against the new structure.

Mr Desmond has felt bound to see this as tantamount to dismissal and gone on holiday, leaving an acting director to take his place until the problem is resolved.

The battle has inevitably been seen in terms of personalities. That in itself, though divisive, is less harmful than the suggestion made over the past weeks

that the British section is in a state of fragmentation and inefficiency, something that Mr Roger Bromley, elected chairman of the council two weeks ago after the resignation of the former chairman, is determined to rectify.

The organization, he argues, is currently extremely productive, having learnt its weight to much publicized campaigns over Zaire, Chile, South Korea, and the export of repressive technology.

Why, then, has a seemingly trivial difference of opinion reached these threatening proportions? Precisely because, Mr Bromley believes, the British section has been too successful in recent years, growing from 3,000 members in August, 1978, to 17,000 today.

Such a rate of expansion cannot be achieved without growing pains, particularly in an age when not just Amnesty, but all human rights organizations

are juggling between traditional methods of persuasion and the new public action campaigns, between the quieter form of urging, and the louder sounds of public exposure.

There is, he says, no contradiction between the two: the debate, in itself, healthy, must simply be sorted out.

The war at Amnesty will not be allowed to go on. At the end of the month, the organization holds its annual general meeting and will then consider the commission's verdict. Whatever the outcome, Mr Bromley believes that the British section will then be able to resume its work, put behind it a pointless wrangle of the kind to which such organizations are sadly prone, and with luck, come to see that the future lies not in a debate over methods, but in a process of selecting that form of campaign best suited to the times, place and nature of each inquiry.

UN vote to
silence
South Africa

New York, March 2—The United Nations credentials committee today recommended that the General Assembly bar South Africa from a debate on Namibia (South-West Africa), although an independence plan for the territory demands Pretoria's cooperation.

Only the United States voted against the proposal. Six of the nine committee members were in favour, and Spain and Costa Rica abstained.

Herr Rüdiger von Wechmar, president of the assembly, asked for the committee's recommendation after South African delegates turned up for the debate, and were immediately challenged.

South Africa's delegation was ejected from the assembly in November 1974. It did not reclaim its seats until May, 1979, when it was again barred at the start of a special session on Namibia.

South African sources discouraged speculation that today's ban might be followed by rejection of the United Nations settlement plan for Namibia.

The plan was drafted by the United States, Britain, France, West Germany and Canada. It has not been implemented because South Africa is not convinced that the United Nations would fairly carry out the terms, which include supervising the holding of elections in the territory.

The assembly recognizes the South West Africa People's Organization as the only authentic representative of the Namibian people—Reuters.

Hijacked plane diverted to Afghanistan

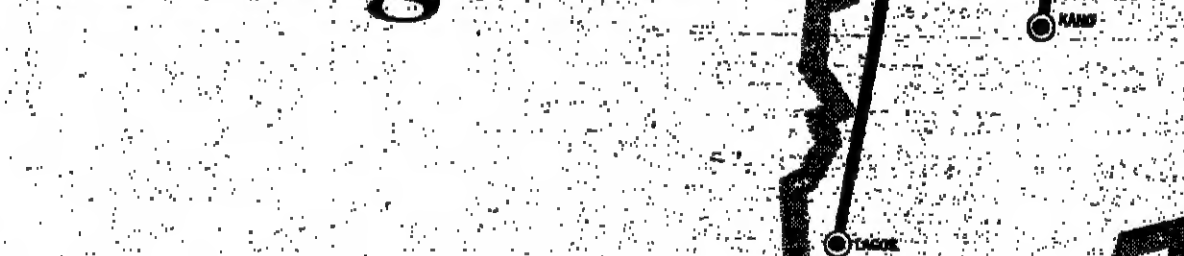
From Hassan Akhtar
Islamabad, March 2

A Pakistan aircraft, with 148 passengers, was hijacked and diverted to Kabul today.

The hijacker, who spoke to a Pakistan International Airline official from the Afghan capital, said he was a member of the Pakistan People's Party, which was founded by Mr Bhutto, the late Prime Minister.

The captain was stated to have been forced to fly to Kabul only a few minutes before the hijacking, which had taken off at Karachi, was due to land at Peshawar.

No immediate explanation for the hijacking was available.

How other airlines
see Nigeria.Naturally we know
better.

Other airlines fly to Lagos. Some also fly to Kano. They may tell you they serve the other major centres in Nigeria too.

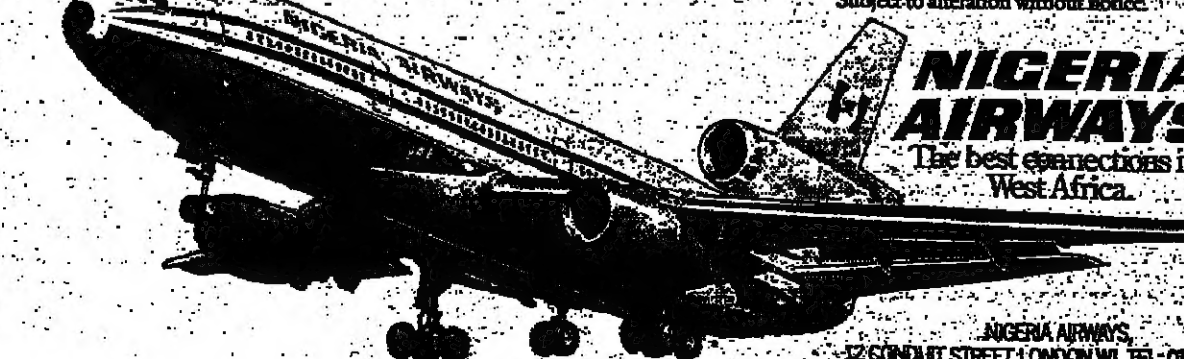
The fact is they don't. They rely on us for internal flights. Nigeria Airways flies seven days a week from Heathrow to Lagos and Kano.

And our own flights serve Sokoto, Port Harcourt, Maiduguri, Jos, Yola, Calabar, Enugu, Kaduna, Ibadan, Benin, Makurdi and Ilorin. All the centres of Nigeria's expanding economy and the major capitals of West Africa too.

So when business takes you to Nigeria fly Nigeria Airways because, naturally, we know West Africa better.

	Daily	Thurs	Fri	Sat
London (Heathrow)	Depart 22.00	10.00	10.00	18.00
Kano	Arrive 04.35			03.05
Lagos	Arrive 07.00	17.20		
Port Harcourt	Arrive	17.20	05.30	

Subject to alteration without notice.



NIGERIA AIRWAYS
The best connections in West Africa.
12 GONDAT STREET, LONDON W1. TEL: 01-629 3717

مكتبة الركن

OVERSEAS

Moscow says Thatcher recipe for world peace based on 'piles of arms' cannot be lasting

From Michael Binyon
Moscow, March 2
Mr Leonid Zamyatin, the official Soviet spokesman, criticised Mrs Thatcher today for suggesting in her speech in New York last week that any peace based on "piles of arms" would not be lasting.

The Soviet Government, he said, was ready to enter a constructive dialogue without any preconditions. In all past summit conferences it had been the prerogative of those taking part to negotiate on any topic without conditions. He said a summit was a vital part of such a dialogue, and it was better to have a prepared one than an unprepared one. But neither side could lay down conditions.

Addressing the press conference on the seventh day of the Congress of the Soviet Communist Party, Mr Zamyatin said the Russians had followed Mrs Thatcher's visit to the United States "with attention". He did not reply directly to her tough accusations against the Soviet Union, but noted that the United States had rejected aspects of President Brezhnev's foreign policy proposals out of hand and said the Russians were still hoping for an objective response from the Americans.

He said he was "a bit surprised" when the British Prime Minister spoke of the

need to establish a military equilibrium between East and West, since the latest report from the Institute for Strategic Studies— which as I recall is not too far from Downing Street—showed that this balance already existed.

The Soviet spokesman said Western leaders, and especially American senators, were putting forward all kinds of preconditions for a summit as a "subterfuge" to off-such a dialogue. He cited the demand that the Russians must first end arms deliveries to El Salvador, and categorically denied that the Soviet Union was sending any weapons to the insurgents.

Senator Jesse Helms, the chairman of the Senate subcommittee on the Western hemisphere who made the call, should instead read the text of Soviet proposals for arms control to which the Russians had still not received any reply from the West.

Mr Zamyatin rejected the contention by the West German Government that there was nothing new in Mr Brezhnev's call for a moratorium on the deployment of nuclear missiles in Europe. He said the new fact in the call was its proposal to freeze development both qualitatively and quantitatively—meaning that the Soviet Union would not go ahead with the deployment of its SS20 missiles.

The Russians, he went on,

were prepared to freeze modernization and deployment of their missiles in the Western part of the country if the Americans did the same with their forward-based systems while talks went on about a permanent agreement.

Mr Zamyatin criticized the West German Government for presenting their country as the "further of rearmament" of medium-range nuclear missiles. Meanwhile, the party congress today heard the remaining few speeches of delegates and visitors and approved the economic report of Mr Nikolai Tikhonov, the Prime Minister, with its details for the present five-year plan and guidelines of economic and social development until 1990.

This evening there was a closed session when the party's Central Committee considered nominations for membership and then, after a secret ballot, voted on membership of the policy-making body. The committee was expected to increase its membership by about 30 to a total of about 330 to take into account increased membership of the Communist Party throughout the country.

The new committee then voted on the composition of the ruling Politburo, whose 14 members had to put themselves up for re-election or reelection. Few if any changes are expected. The results will be given tomorrow, the final day of the congress.



Tables turned: Mr Ed Koch, the Mayor of New York, spoofs the press with his own song and dance number at the city journalists' annual Inner Circle show. Politicians are their usual butt.

For appeal for press opposition to apartheid

From Charles Harrison
Nairobi, March 2
President Daniel arap Moi opened the annual assembly of the International Press Institute here today, stressing the responsibility of the world's press in furthering the cause of social justice, particularly by campaigning against apartheid in South Africa.

President Moi said it was wrong for Western countries to tolerate apartheid because they regarded South Africa as important to Western security. "The South African situation constitutes a direct and real threat to international peace and security," he said. "Each and every country has a duty to change that inhuman system—the urgency of the matter cannot be exaggerated."

Kenya, he said, did not hate South Africa—a hard-right system.

At the same time, he said, as a black man he was not proud of what was happening in Africa, where the colour of the skin was the basis for oppression. A common effort, by all those who love humanity, was needed to fight evil from whatever corner it came.

"This press was an essential instrument in the promotion of social justice—including the equitable distribution of wealth between the developed and the developing world," he said. "Those countries which supported apartheid, those who were sometimes misinterpreted, but the whole world, and not merely the poor countries, would benefit from a more equitable distribution of the world's resources."

Mr Oloo Aringo, Kenya's Minister of Information and Broadcasting, complained that the development of the world's media was not keeping pace with the changes in the world's information systems. "We have witnessed a tremendous growth in the mass media, but the development of the media is not keeping pace with the changes in the world's information systems," he said.

He said the press in the Third World, like the press in the First World, was facing a crisis. The press in the Third World was not only facing a crisis, but it was also facing a crisis of confidence. The press in the Third World was not only facing a crisis, but it was also facing a crisis of confidence.

News analysis

Progress slow in extending capability of armed forces

By Henry Stanhope
Defence Correspondent
Thatcher's promise of British help in protecting Western interests outside Nato, the Ministry of Defence has made slow progress towards the modest goals outlined last year. Senior officers are now waiting to see if priorities will be adjusted in the light of her New York speech.

The first indication that the Government is considering improvements to the services—so-called "worldwide capability" came in last April's Defence White Paper, and was confirmed by Mr Pym, then Defence Secretary, in the Commons in October.

Energies were first concentrated upon trying to reestablish a parachuting assault capability, and the number of fully trained parachute battalions has been raised from one to two—one of them in the 6th Field Force whose headquarters are at Aldershot and the other in the 6th Field Force based on Bulford.

The RAF is also continuing with its programme to "stretch" 30 of its 65 Hercules transport aircraft, increasing their capacity from 32 to 38 soldiers or 62 to 72 fully equipped paratroopers. Three of the stretched Hercules are already flying.

Whitehall's recent cash squeeze, however, has cut short plans to buy the Adversus Weather Air Delivery System radar to enable the Hercules to fly in close formation in poor visibility. Reductions in the fuel allocation have also ruled out any chance of pilots completing the 1,000 hours additional flight

training every year which is thought necessary to make Britain about an hour to drop one parachute battalion, instead of the 15 minutes which would be required in an emergency. Officers should be unfavourably compared between the British and American drops during last September's Nato exercises in West Germany.

The Army could draw upon other units of the 1st Field Force and 6th Field Force to fly to the enlarged Hercules, assuming that there was a runway available. But it was not able to afford the special stockpile of food, fuel, ammunition and other equipment which the Army would like to establish on Salisbury Plain.

The American Rapid Deployment Force (RDF) when deployed should be able to land 12,000 men within five days, in the Gulf or elsewhere. But the establishment of a British RDF, trained for that role alone, has never been seriously considered.

Even if Britain could afford to build its own RDF, the pressures on money and manpower dictate that it could not hope to train for all the various kinds of operations in parts of the world as different and distant as the Gulf, Zimbabwe and the Falkland Islands.

As a result the ministry is trying simply to ensure that the services would have the flexibility to send troops when they were needed.

Attempts to settle Qantas strike fail

Sydney, March 2—Talks aimed at settling a crippling 17-day ground staff strike against the Australian airline Qantas broke down today as the air force continued ferrying stranded passengers between Australia and New Zealand.

Mr Keith Hamilton, the Qantas chief executive, said talks had reached an impasse over a union demand that Qantas give up its right to break strikes with staff from other departments while still retaining the union's right to strike.

The Australian Government today promised full financial support if Qantas had to shut down—Reuters.

South Korea offers pardon to 5,000

From Jacqueline Kedit
Seoul, March 2
President Chun Doo Hwan of South Korea announced today that more than 5,000 political prisoners would be given an amnesty tomorrow when he officially inaugurated a new campaign for the next seven years.

The amnesty offer came some hours after Amnesty International, the London-based human rights organization, had announced a new campaign for the release of about 500 political prisoners in South Korea, calling on President Chun to commute the death sentences on dissidents and to investigate allegations of torture in South Korean prisons.

In spite of the apparently significant timing, President Chun was not yielding to pressure from Amnesty International, for he had already let it be known that he planned an amnesty to coincide with his inauguration.

But the campaign may help to improve prison conditions by spotlighting unlawful detentions and harsh treatment of prisoners.

President Chun's new constitution promulgated last October, promised greater protection of human rights in South Korea.

It is not yet known how many of the 5,000 prisoners named by Amnesty International have been included in the amnesty.

But this will be the largest amnesty since the Republic of Korea was founded in 1948, and will apply to a total of 5,221 prisoners. Of these 2,617 will qualify for early release with suspended sentences, the Government said today. A further 968 will be released on parole, including 99 serving life sentences—will have their prison terms reduced.

The amnesty offer will apply to many people involved in political disturbances under both the former and former regimes. Mr Kim Kye Woon, the latest President Park Chung Hee's chief secretary, who was sentenced to life imprisonment for his part in the plot to assassinate President Park, is to have his sentence reduced to 20 years.

General Chung Seung Hwi, the former Army Chief of Staff and martial law commander, arrested by the then Mayor General Chun Doo Hwan and sentenced to seven years' imprisonment for his alleged involvement in the assassination plot, is to be released.

The amnesty offer includes 176 people imprisoned after last May's general uprising in the southern provincial town of Kwangju. They will now be released, and 131 people also involved in the Kwangju riots but released earlier, will have their civil rights restored.

President Chun has also said he will deal leniently with a further 23 people involved in the Kwangju riots, whose appeals including three against the death sentence, are still pending final judgment.

But amnesty will not be extended to the more than 550 former politicians who have been banned from all political activity for the next eight years.

TUC to set up fund for Solidarity

By Paul Rousage
Labour Editor
The TUC is to set up a £20,000 support fund for Mr Lech Walesa's Solidarity labour organisation after hearing the independent union in Poland intend to work within the communist system.

The first fruits of talks held yesterday between the TUC international committee and Solidarity officials, Mr Bogdan Lis, will be helped in trade union organisation from a British educational delegation.

Mr Len Murray, general secretary of the TUC, last night said the union would be taking for other "unofficial" trade union movements in Eastern block countries.

In London yesterday, Mr Lis, aged 28, a former shipyard engineer from Gdansk and one of Solidarity's two national vice-presidents, said the union would defend the rights of workers before the state and employers. "We don't intend to create a new political party," he said.

Today he will meet leaders of the engineering, coal mining and transport workers' unions at the close of his four-day visit. He flies home tomorrow.

Gierek protest—Mr Edward Gierek, the former Polish Communist Party leader, has protested against a campaign to change his name, which he said was "a disgrace" to discredit him and members of his family (Desks: Trevisan writes from Warsaw).

One newspaper published a report saying he had acquired an increasing degree of mind without passing an exam.

Mr Gierek protested in a letter to the party newspaper *Rybnik* Reborn that several thousand people had been given the degree of a "lawyer" passed soon after the war.

Wife kidnapped by family rejoins her husband

From John Best
Ottawa, March 2
An Algerian woman has returned with her French husband to Montreal, nearly three years after it was reported that she had been kidnapped and spirited back to Algeria to marry. Her husband was reported to have been kidnapped and spirited back to Algeria to marry.

Mrs Dalila Maschino, aged 29, said at the airport on her return that she was "very, very happy" to be back.

Among those who met her and her husband, Denis, who were two detectives who drove them to a Montreal police station and questioned them for three hours concerning the abduction.

Mrs Maschino said she escaped from her Algerian husband last week while they were on holiday in Geneva. She fled to Paris and telephoned Mr Maschino, who was visiting friends there, and they made immediate plans to return to Montreal.

Mrs Maschino's abduction in April 1978 became an international incident. Mr Pierre Trudeau, the Prime Minister, referred to it as a "crime" and instructed the Canadian Embassy in Algiers to make a priest.

Mr Maschino claimed that his young wife had been drugged while visiting an aunt's apartment in Montreal, then taken aboard a private jet at Dorval airport in a wheelchair and flown to Algeria.

The jet was said to have been owned by her millionaire brother, who objected to her marriage to a Christian and insisted she become the bride of a Muslim professor to whom she had been promised at birth.

Dalila and Denis Maschino met in 1974 when they were both at the University of Algiers.

A police official said the reunited couple will receive round-the-clock protection indefinitely.



Dalila Maschino: "Very, very happy" to be back.

Malaysia hangs three under security laws

From Our Correspondent
Kuala Lumpur, March 2
Three more men were hanged this morning for illegal possession of firearms, bringing the total of executions to six since last Wednesday. All six were Chinese convicted under the Internal Security Act which restricts the rights of the accused.

This brought the total hanged to 17 since Malaysia resumed executions a year ago after a lapse of nearly a decade. All but two of the six were convicted under the security laws.

At least 60 men are in Malaysia's Pudu prison awaiting execution. Executions are usually carried out within days of appeals being rejected.

General admits cover-up over island massacre

Manila, March 2—The military authorities in the Philippines admitted today that they deliberately tried to withhold the press publicity about the February 12 massacre of 119 government troops in Pata island in the south.

Brigadier-General Delfin C. Carpio, chief of the southern military command, told the local press in Zamboanga city that the incident was best forgotten because it had a psychological effect on the government soldiers, sources said.

General Carpio was quoted as saying that the real story was purposely withheld since its publication would only fan the flames of the long-running conflict in the south—Agence France Presse.

Argentina offers Falkland Islands special status

Port Stanley, March 2—Argentina's military Government has offered to make the Falkland Islands its "most pampered region" and to guarantee the islands' democratic traditions if British settlers give up rule from London and accept Argentine sovereignty, according to two members of the Islands' Legislative Council.

The offer, made at last week's talks between Britain and Argentina in New York on the ownership dispute, was Argentina's first direct appeal to the Falkland Islands' 1,800 settlers. The settlers want the islands, 300 miles off Argentina's coast, to remain a British colony, but they are concerned at London's reluctance to assist their sheep-raising economy which is in a slump.

Mr Adrian Monk and Mr Stuart Wallace, settlers who went to New York as part of Britain's delegation, returned here on Saturday and met the rest of the Falkland Islands Council. They told reporters on Sunday that the next round of talks would be held after a new eight-man council, to be elected by November, decided whether to accept some form of Argen-

tine sovereignty or to drop out of the negotiations.

Britain, which obtained the islands in 1833 and is under international pressure to give them back to Argentina, has promised to follow the settlers' wishes. At the council's request Mr Nicholas Ridley, the British Minister of State, asked Argentina last Monday to freeze the sovereignty issue while the two nations worked out joint fishing and oil exploration ventures.

Argentina refused, but the meetings continued for a second day as Commodore Carlos Corrales, Argentina's Deputy Foreign Minister, spoke directly with the two Falkland delegates.

"We were asked what did we want, presuming we agreed to cede sovereignty. Would we draw up a list of our requirements?" Mr Monk said.

"We said, well, we have a democratic form of government, a different legal system from yours, different customs, a different form of education. And they told us all those things could be guaranteed for some considerable time. The only thing they wanted was sovereignty."—AP.

Singapore project depicting triumph of Tiger of Malaya goes ahead

British surrender to Japan in waxwork show

From David Watts
Singapore, March 2
Singapore is quietly going ahead with a controversial plan to build a wax tableau depicting the British surrender to the Japanese 35 years ago.

The project is a "waxwork figures showing Lord Louis Mountbatten taking the Japanese surrender at the end of the war. The new tableau is to be built, like the famous one in the island of Senigaglia, off Singapore. The island already has a comprehensive collection of Second World War memorabilia.

Sentosa attracts Japanese tourists and businessmen, many of whom visit the war museum. The surrender chamber has two rows of light oak tables at which life-size wax models of the participants are seated: the allies on one side, the Japanese on the other. Lord Mountbatten, who liked to visit the chamber, is flanked by Lieutenant-General R. A. Wheeler, of the United States, and General Sir William Slim, all looking suitably triumphant.

On the Japanese side, General Seishiro Itagaki, commander of the Seventh Army, is flanked by Lieutenant-General Kiyomasa Kikuchi, commander of the Burma Area Army, and Lieutenant-General A. Nakamura, commander of the Eighteenth Army, looking rather unshaven and dejected.

"The tableau is inside an area surrounded by smoked glass through which tourists view the proceedings to the accompaniment of a commentary which does its best to make up for the humiliation of Lieutenant-General Arthur Percival, commander at the time Singapore fell. In the background, the strains of 'Land of Hope and Glory' ensure that the point is not lost. On the outside walls tablets explain the set-piece in both English and Japanese.

Near by, photographs retell the story of the Japanese troops peddling cheap bicycles along down the Malay Peninsula towards the fabled gates of Singapore, pointing in the wrong direction. There they are in another photograph under a newspaper headline: "Malaya ready for front-line role in Pacific."

The Sentosa Development Corporation wants to build the new tableau in the interests of that angle to spare General Percival's blushes. It has been trying to find one showing the general's expression, but it has received little help in its efforts to commemorate what Sir Winston Churchill called "the worst disaster and the largest capitulation in British history."

A corporation spokesman said the British High Commission is "not very happy about the project. They do not want to



General Arthur Percival surrendering on February 15, 1942.

Malaya," accompanied by British troops carrying the Union Jack and a white flag. But the only photographs of that angle to spare General Percival's blushes, it has been trying to find one showing the general's expression, but it has received little help in its efforts to commemorate what Sir Winston Churchill called "the worst disaster and the largest capitulation in British history."

A corporation spokesman said the British High Commission is "not very happy about the project. They do not want to

Teenagers abandon their joints for the bottle

Washington, March 2—American teenagers are turning to official statistics. Mr Fritz Witt, public relations director of the national institute, said that the institute's research was unable to give a breakdown of teenagers' choice of drinks. Its report makes no distinction between imbibers of wines, beers and spirits.

But he said it was clear that alcohol was now more popular than marijuana and had become the "choice drug" of adolescents. Drink was a cause of 50 per cent of traffic accidents involving adolescent drivers, Mr Witt said—Agence France Presse.

Axe on Kenya teachers cuts British influence

From Our Own Correspondent
Nairobi
Changing patterns in aid are reducing British influence in Africa. This is nowhere more obvious than in the disappearance of British teachers from most of Kenya's secondary schools, where until a few years ago they constituted a "hard core" of experience and knowledge, highly respected by thousands of students who were destined to play important roles in their country's affairs.

In 1973 there were 600 British teachers in Kenya, including 420 in secondary schools. This year the total

under British aid schemes is about 190, including only 47 in secondary schools.

In another year, the number in secondary schools will be down to 20.

Many critics consider that British money would be better spent in subsidising teachers' other development projects. It is of course impossible to measure precisely the benefits which British gets from providing teachers to a developing country—but many of the leaders in these countries have an abiding respect for the expatriates who taught them.

After independence in 1963, Kenya had large numbers of British teachers at its secondary schools. A substantial part of Britain's aid programme to Kenya was to provide teachers who were not available from among the Kenyan teachers. Britain topped up the local salary (which is generally not enough to attract many expatriates) to a level in line with that which a teacher would earn in his own country, and paid a gratuity of the cost of a contract.

Passages between Britain and Kenya for the teacher and his family, school fees for his children, housing subsidies and other home-sweetening benefits were a substantial part of the £20,000 a year for each teacher working in Kenya.

The reduction in the number of teachers was a gradual

process (at Britain's insistence) until the last two years, when it speeded up considerably as part of Whitehall's economy drive. But it had been agreed that public sector jobs should be phased out, and there would remain a core of perhaps 100 senior teachers, mainly mathematics and science specialists, who are particularly scarce in Kenya.

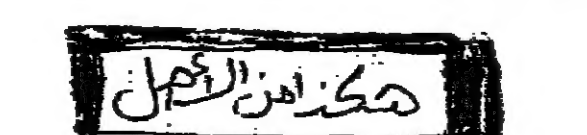
Last year, however, the economy axe fell even harder, and the Kenyan were told that the whole programme to provide British secondary school teachers must end.

This was a blow to Kenya, already short of teachers as a result of the extension of the school system and the difficulty of retaining trained graduates

process (at Britain's insistence) until the last two years, when it speeded up considerably as part of Whitehall's economy drive. But it had been agreed that public sector jobs should be phased out, and there would remain a core of perhaps 100 senior teachers, mainly mathematics and science specialists, who are particularly scarce in Kenya.

Last year, however, the economy axe fell even harder, and the Kenyan were told that the whole programme to provide British secondary school teachers must end.

This was a blow to Kenya, already short of teachers as a result of the extension of the school system and the difficulty of retaining trained graduates



An incomparable display of Schinkel's architecture

Karl Friedrich Schinkel
Altes Museum,
East Berlin

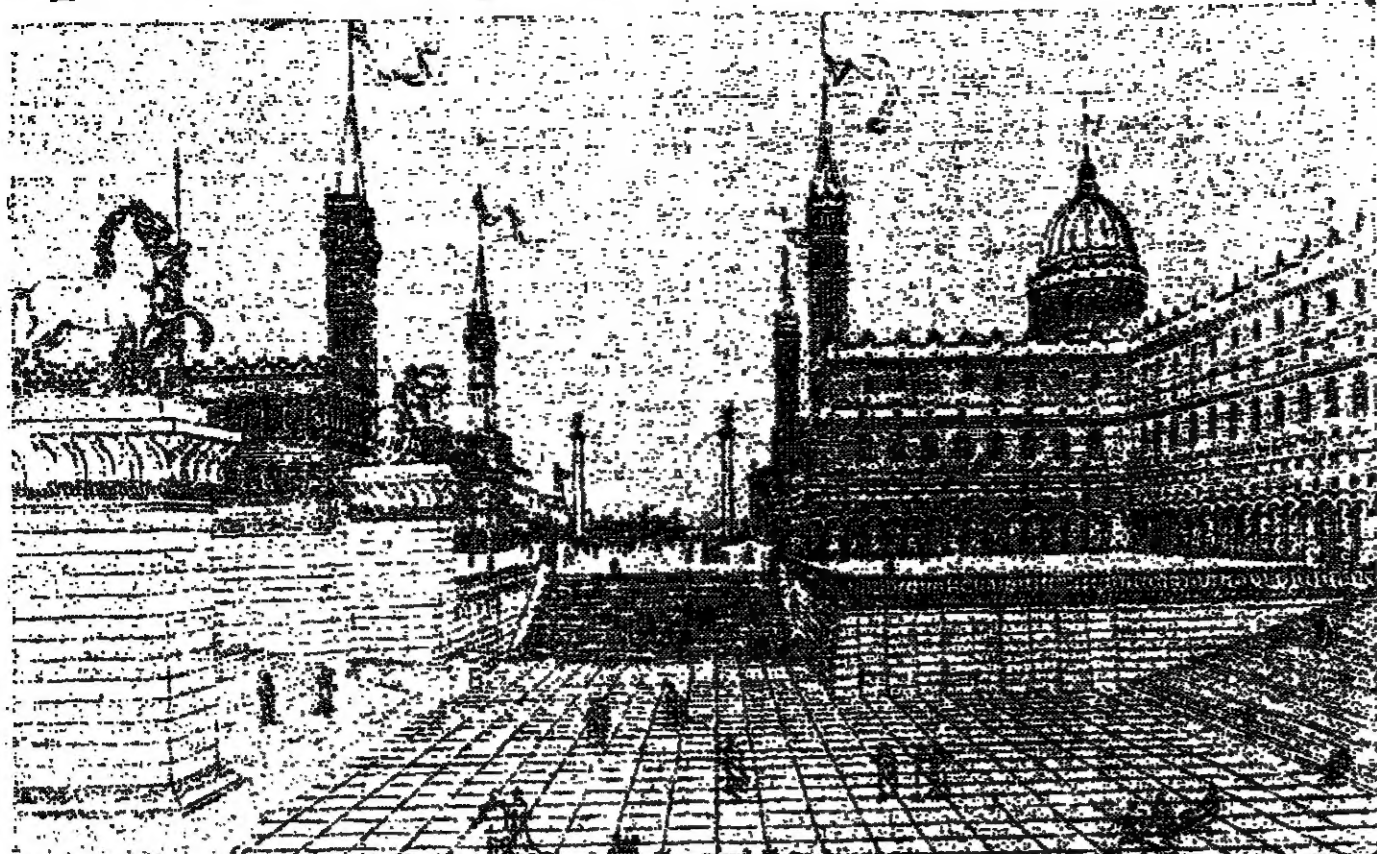
José Clemente Orozco
Orangerie, Schloss
Charlottenburg

Art Treasures from
China
Museum für
Ostasiatische Kunst,
Dahlem

K. H. Hödicke:
Bilder 1962-1980
Haus am Waldsee

There are many exhibitions which are virtually unaffected by the surroundings in which you see them: the great international touring exhibitions of the past few years are mostly designed to recreate their own little world in any environment which offers at least the minimum amount of space required. But there are others which take on a particular vividness and significance from one specific setting—whether it is the R. Ashbee in Cheltenham surrounded by his contemporary Cotswold craftsmen, or Olbrich in Vienna in the art nouveau house of the Secession he himself designed, for once wholly consonant inside and out. A perfect example is currently on show (until the middle of April) in East Berlin, where the bicentenary of Schinkel's birth is being very grandly celebrated with a show which reflects his many-sided talents to the full, occupying the whole ground floor of the Altes Museum in the midst of the formal and cultural centre of old Berlin he conceived and laid out.

It is not so much that an impressive Schinkel exhibition could not be laid on in West Berlin: since just about everything that happens in Berlin has automatically to be doubled to show that neither half has a clear lead over the other, it will come as no surprise that West Berlin is busy planning its own bicentenary tribute with two complementary shows, due to open this month. They will no doubt be stronger on the paintings, since many of the finest examples of Schinkel's romantic and visionary landscapes are in the West. But for coverage of Schinkel's major architectural work the collection of drawings in the DDR's Staatliche Museen zu Berlin is absolutely incomparable, much of his finest surviving furniture and other decorative work is in the East,



Schinkel: City Square by the Sea (after 1804)

and so, of course, are many of his most important buildings and pieces of city planning, some of them still, as a room of this show demonstrates, being slowly but surely restored to their former glory after war damage one would have imagined irremediable.

Schinkel is an extraordinary and very Prussian mixture. On the one hand he was often the purest and most severe of neoclassical architects, producing buildings like the Altes Museum itself which are so correct they ought to be cold and inhuman, or drawings of his own buildings and imaginary projects which are astonishing triumphs of sheer technique, using none of the conventional tricks of cunning shading and trompe l'oeil effects, but rather doing everything by pure line and the play of formal perspective. And yet his childlike sense of fun, due to the strange contradictory tension, something expansive and emotional all the more potent for the strictness with which it is held in check. And when you look at his paintings or his projects in more fantastic styles, such as the towering gothic cathedrals or the bizarre semi-oriental palace he designed for the Czar on the edge of the Black Sea, or for that matter the elaborate stage settings he

conceived for *The Magic Flute* and several even more exotic and ingenious operatic entertainments of his own time, you can see just what it was in Schinkel's nature which created this striking ambivalence.

A romantic wolf in classical sheep's clothing, Schinkel is a complex and original artist far more powerful than the more exuberant, simplistic political caricature of the 1930s. In Berlin the space is simple, open and white, flooded with light, with a big slide-show of Orozco's large, untransportable works in the darkened dome halfway through. Here the two quite different shows most weight, and the more severe works go for relatively little. Impossible to say which arrangement is better, or more true to the artist; but one might certainly be seeing two quite different shows. The big attraction in West Berlin, however, is the show of *Art Treasures from China* which offers the first opportunity outside that country to see some key discoveries in Chinese art since the Jade Princess was unearthed. The major excitement is the centrepiece of the show, selected examples of the monumental figures dug up in their thousands four years ago guarding the tomb of the First Emperor of China, Qin Shihuang Di.

And when all of this is reinforced with an almost complete range of Schinkel's beautiful watercolour designs for the stage, furniture of all kinds made from his designs, china and glass and sculpture and ornamental plasterwork, the result is an all-round picture of a complex and original artist far more powerful than the more exuberant, simplistic political caricature of the 1930s. In Berlin the space is simple, open and white, flooded with light, with a big slide-show of Orozco's large, untransportable works in the darkened dome halfway through. Here the two quite different shows most weight, and the more severe works go for relatively little. Impossible to say which arrangement is better, or more true to the artist; but one might certainly be seeing two quite different shows.

West Berlin also at the moment contains a striking demonstration of the effect that a change of venue may have on an exhibition. The big show of Orozco, recently seen in this country at the Museum of Modern Art, Oxford, is now at the Orangerie, the new Lottentburg. The difference is

astonishing. The dark and inward-looking gallery in Oxford was made to seem positively labyrinthine with interior walls and screens, and the results of democracy disappointing, made their statement far more powerfully than the more exuberant, simplistic political caricature of the 1930s. In Berlin the space is simple, open and white, flooded with light, with a big slide-show of Orozco's large, untransportable works in the darkened dome halfway through. Here the two quite different shows most weight, and the more severe works go for relatively little. Impossible to say which arrangement is better, or more true to the artist; but one might certainly be seeing two quite different shows.

along with a careful explanation of the context in which this sleeping army was found. The sheer scale of this dig is mind-boggling, and the life-size figures of warriors and horses have a grandeur and simplicity which has nothing at all to do with the primitive or naive. But, though they are inevitably the most striking part of the show, they should not blind visitors to other, smaller, but equally important, discoveries of the outside influences which occasionally made themselves felt and the changes in religious and political attitudes which kept Chinese art, how unchanged a cycle of Cathy may seem to us in a constant state of flux. Though the objects on display are all a few years old, it is right that the show should be called "art treasures" for finally, however educational a visit to the show may be, it is because it brings us into such fresh and exciting contact with works of exquisite grace and beauty that it will ultimately be valued.

Last, as it provides a further background to the Royal Academy's *New Spirit in Painting* show, I should mention the retrospective at the Haus am Waldsee devoted to the work of K. H. Hödicke since 1962. Hödicke has emerged in these years as one of the most effective of the new figurative painters in West Berlin. He deals in large, simple shapes, strongly but not unsuitably coloured; frequently human figures set in some kind of suggested landscape background or interior, sometimes pure landscape. This show indicates very clearly how he arrived at his present position: the process is mainly one of simplifying and paring down to the essential elements, the expressionist elements are very clear, but so is the influence, especially in a series of action-packed triptychs. Later there are experiments in a sort of photographic realism (notably in several large pictures of street scenes distorted, apparently, in uneven plate-glass windows), filtrations with watercolours, such as the chicken feathers which are stuck (precisely) all over the surface of one large monochromatic painting, and then back, enriched, to the most recent nudes and street scenes and evocations of show business. Possibly Hödicke's work does not cut very deep, but at least a sheer delight in the process of painting is apparent throughout his career, and that in the rather grim context of recent German art, is by no means to be despised.

John Russell Taylor



"But that doesn't mean it's intrinsically better to work in a small theatre for an already committed audience; why do you play for a hundred people when you can do it equally well for a thousand? The Cottesloe company may be finished, but the National itself is still there and those of us who were there at the beginning, when every day Fleet Street was firing all its guns over the river and it was like being at Verdun or in Fort Doom, have retained a certain affection for the place now, and it's managing to run. A theatre is always better than the company occupying it at any one time. The theatre lasts longer than any company."

Sheridan Morley

Book review

Working at a life

Aubrey Beardsley
An Account of His Life
By Miriam J. Benkovitz

(Hamish Hamilton, £8.95)

How much life can be lived in 25 years anyway? Especially by one who, contrary to what Wilde claimed of himself, kept his genius for his art and scarcely had time or energy to put even a modicum of his talent into anything else. All the same, the perennial fascination of Beardsley's art, and its apparent aliveness, as well as its uniqueness, continue to keep biographers busy. All the experts on the Decadent Nineties seem to be getting in their two cents worth. Brian Reade, *Starry Wren*, in a surprisingly thick biography, Malcolm Easton in this interesting if inflated and too-speculative *Aubrey and the Dying Lady*. And now, here is Professor Benkovitz, biographer of Firbank and biographer of Corvo, with her contribution to the still-expanding shelf.

It is a sober book. We are taken through the artist's life, from his artistically precocious childhood in Brighton to his sensational and hardly less precocious heyday as the creator of the "Beardsley woman", and so to his conversion to Roman Catholicism and good death, repenting of "all obscene drawings", when still five months short of his twenty-

sixth birthday. It is mainly, as one might expect, a chronicle of work done, for in his few years life Beardsley turned out enough drawings to match the output of many who lived two or three times as long. Obviously in most important respects, even down to how exactly he spent the 24 hours of his day, his work was his life, and that is all there is to it.

Admittedly, the jacket holds out provocative prospects: "He has been accused of incest with his sister, Mabel, and of homosexuality." Yes, so? Professor Benkovitz's reply ends up as a guarded non-knowing-can-say. "From his Venetian and Tannhäuser," she remarks. "Beardsley's sexuality and his sexual practice can be assumed." But she does not tell us how. Presumably Beardsley did not spend much of his life as a lesbian, or even dealing with unicorns. And even someone with all the time in the world for the exploration of unnamable vices could hardly have fitted in quite so many and various as just the few chapters we have hint at. Not that it is really matters. Quite likely it was mostly or all in his prodigiously inventive mind, and from there went straight down to paper in the form of art. It may be questioned whether we shall need another life of Beardsley for some time if it is going to do us any good.

John Russell Taylor

Sinfonietta/Pay

Round House/Radio 3

Paul Griffiths

The trouble all started with Stravinsky's *Symphonies of Wind Instruments*, and so, too, did Sunday's excellent concert by the London Sinfonietta, under Antony Pay. Here was a work which denied the old principle that music must make an orderly weave through time, a work which proposed instead a technique of cross-cutting and flashbacks, with elements that are self-contained and independent. The notion of continuous development was simply ignored, and composers were left with the challenge of finding new ways to give music impetus.

A curiously perky performance of the Stravinsky, sounding more like a convocation of birds than the austere liturgy of the composer's imaginings, was still a pertinent overture to two recent British pieces for chamber orchestra, *Stravinsky's Silbury Air* and Oliver Knussen's *Coursing*.

In what is one of his very finest works, Knussen develops the Stravinsky method of juxtaposition and overlap to an extraordinary degree, creating an extraordinary mass of ideas — crackling fanfares.

LSO/Berglund

Festival Hall

William Mann

The recent exchange of conductors in our symphony orchestras is broadening the good work of specialists. The other day we heard Hallé interpret a Bruckner, not with the LPO, but the Philharmonia, a different sound for us, a new experience for them. On Sunday, similarly, Paavo Berglund, no longer contracted to Bournemouth, was able to share his Sibelius readings with the LSO. The Sinfonietta, he gave us the first symphony and, a comparative rarity, *Lummenot*.

The latter is also a curiosity, being at once a tone poem by description and a solo cantata (I am not aware of another such specimen). There is, actually, not much of descriptive symphonic music in it. The soprano narrates the Finnish legend of the virgin mother of the ocean who allowed a gull to lay eggs upon her knee, and, in the end, the bird's flight over stormy seas, and when the stormy sea is over, stops abruptly. The music is perfectly characteristic (the opening

resembles in atmosphere that of the violin concerto, and the matter-of-fact conclusion of the fourth symphony) and subtly compelling. Berglund gave the LSO its head in the storm interlude, and provided a superb support for the soprano, Phyllis Bryn-Julson, who brought a generous forte and delicate soft phrasing and nuance to her story-telling. Those of us who remember Sibelius's first symphony as a Beethoven conducted it, may have been surprised to hear a rougher, more blatant orchestral sound favoured by Berglund, especially in the first movement where the danciness LSO trumpeters were given every encouragement, and the rest of the orchestra was away from the sophisticated symphony. The design of the symphony was faithfully projected, though, and indeed this is, surely, the most garish score of Sibelius's symphonies as in honesty this reading admitted.

One could have done with a foretaste of such enthusiasm before the interval, when Id. Haendel played Elgar's violin concerto with sparkling bravura and a sumptuous cantabile, but without voluminous tone, that, in retaining the orchestra, the conductor fell into a gingerly approach to the impassioned music itself.

Philippe Entremont

Queen Elizabeth Hall

Max Harrison

Both as pianist and conductor Philippe Entremont has been hitherto chiefly concerned with the French repertoire, and so his programme on Sunday afternoon, while conventional in itself, was something of a departure. Even so, the refined cultivation of tone associated with French keyboard music was at once apparent in the initial variations of Mozart's *Sonata K331*, where there was much variety of colour within a carefully restricted dynamic range. There was no doubt, either, of the vocal origin of the ornamentation.

The accidents in the final variation were minor yet unfortunate, and the following Minuet was rather fast. Its dance-like character should have been more deliberately insisted upon, and in fact the breadth Mr Entremont gave to the central Trio was more apt. However, the Rondo alla Turca needed more sparkle and spontaneity, and its sectional nature was too evident.

Beethoven's *Sonata Op 31 No 3* started with a far more suitable feeling of caprice, a few ideas seeming to be thrown together at random, the rest

Some of the reviews on this page are reprinted from yesterday's later editions.

of the movement being devoted to showing that, as usual, there are no accidents in Beethoven's world. Mr Entremont caught well this impression of inevitable processes behind apparently chance events.

Fine, too, was the Scherzo, an another explosive and mischievous one, typical Beethovenian mixture. The Minuet normally seems, to me at least, an anticlimax, yet this time the pianist's careful weighing of all those isolated chords gave it more poise than hitherto. The finale's furious excursions had plenty of excitement.

Bearing Mr Entremont's Papillons, Op 2, reminded one perhaps not quite relevantly, of the influence which Schumann's early keyboard writing had on some French composers. He was perfectly in accord with Schumann in his own right, and this piece was full of ardent fantasy — perhaps too much for so youthful an essay. But there was some very impressive playing in the highly detailed quick movements.

Brahms's *Handel Variations* were also immaculate, and by now seemingly dangerous tempos were no longer a risk.

Beethoven's *Sonata Op 31 No 3* started with a far more suitable feeling of caprice, a few ideas seeming to be thrown together at random, the rest

Mark McManus: the makings of a Cottesloe man

The production of *The Crucible* which transfers to the Comedy tomorrow after a brief but successful run at the Cottesloe before Christmas marks an end rather than a new beginning. It is the last production to have come out of the very tight-knit company that Bill Bryden created and ran for the National at the Cottesloe while he was still its resident director, a company which was also responsible for such triumphs as the O'Neill seasons, *Lark Rise to Candleford* and *The Passion*. Of the dozen or so actors who made up the nucleus of that company developing over five years a style that was unmistakably the Cottesloe's own and unlike anything to be found on either of the other National stages, none is more representative than Mark McManus, currently to be found playing the lead in *The Crucible*.

Now 45, McManus is like Bryden a Scot, though one who started his theatre life in Australia. The only son of a coal miner, he emigrated there in the early 1960s.

"I had a romantic notion about travel broadening the mind, and as I'd had no education to speak of there didn't seem to be much chance of my making a living over here. I wanted to go somewhere where they wouldn't keep asking me

about the O levels I hadn't got, and Australia seemed somehow far enough away, somewhere where they wouldn't expect anything of me. So I got a job in a bookshop in Sydney and lived in a whole succession of lodging houses full of young Italians and Greeks, all working their hides off to get what we all wanted, 'the stake'. That meant enough money to keep a car and a wife and what we wanted to do with the rest of our lives. Until you had the stake, cash in the bank, nothing could happen. I've never been so lonely, or worked so hard. Until you go somewhere away from home you're not really free. You're totally adrift, trying to learn the rules just by surviving."

But in fact it was on the docks that McManus first got work as an actor. "The Waterside Workers' Federation had a union theatre and they advertised for painters and set-builders so I started rigging up scenery for them in my spare time and then gradually drifted into acting. At the time they were about the only radical theatre group around, at least in Sydney terms; that meant a lot of Bracht and Brecht and no White-baited. Professional actors used to come and moonlight there for the chance to work on decent scripts instead

of the commercial rubbish Sydney was then full of, and after about a year one of them offered me the chance to join a professional theatre group so I took it and discovered the rainbow."

Throughout the 1960s McManus stayed in Australia, working in everything from the Tommy Steele role in *Half a Sixpence* through to Shakespeare and the outback work in commercial theatre and no scenery. "But when you hit the next stop it was as though the circus had come to town. Festival time, everybody came. Then I went back to Sydney, got work in a commercial theatre and used to walk through the town in that silky 4am heat after the show wondering how I'd ever got back to England. The trouble was that I knew I had to: at that time anybody who saw the British theatre even as remotely as I had in Scotland knew that it was no good staying in Australia to be an actor. You had to come back here, where real theatre was."

That came as a fair old shock to the Australian system. Ibsen's *The Dolls* and *Richard III* over there in the bush trying to make sense of

an impossible script. Then I got a job for £25 a week stage-managing Michael MacLiamblay which meant mainly ironing the shirts he wore at Oscar Wilde. Once he hit over the amazing shock of discovering that I was about to get married, he was the most marvelous company, story-telling into the night. In the end he offered to take me round the world with him on the rest of his Wilde tour, playing Jeeves to his eccentric Woyzeck, and I still rather wish I'd done that. There aren't many like him; Australia was then still a very busy society and every morning I had to open the door to his flat and prop up the downstairs wearing the full make-up and a kimono. It took Sydney months to recover from him."

Eventually, in 1970, McManus (by now married with a son and on the rest of the way) did return to London, armed with nothing but his air fare and a vague introduction to Bill Gaskill at the Royal Court.

I was 35, and it was like starting out on the rest of the world. Nobody wanted to know what I'd done, it took me a year to get any stage work, and in the last ten years I've only really worked for two theatres, the Court and the Cottesloe. English theatre is like that, the Court and the Cottesloe, and once they brand you as 'a

Cottesloe actor' or 'a Cottesloe actor' then that's how you stay."

I've been luckier than some in that I've had a long running TV series (*Granada's Sam*) which makes me at least a vaguely familiar face now; but I really like working in tight little groups and I'm therefore sorry to see the Cottesloe company disband. We weren't necessarily all great socialists or great radicals, but we did seem to have broadly the same attitudes to society and work. Above all we knew how to laugh; you walk around the corridors of the National and you see all these directors bent double with the weight of their artistic responsibilities and you think, 'what's the fun? If you can't laugh in rehearsal, then it's not worth being an actor at all.'

Of course there are dangers in the company system; principally that when it breaks up the directors usually go off to glamorous jobs in Hollywood or wherever and the actors are left trying to scratch a living back in television. But being an actor, trying for a really good 10 minutes at a time, nothing more. I go in like a tank, and if they put me on a track and say next week Pittsburgh in *Richard III* that's OK. An actor's life should be doled out by moments.

Beethoven and unmistakably Miss Raphael's main sympathies lie with such music. Even the most rarefied passages conveyed great intensity, and the richly detailed writing for both violin and piano was entirely subordinate to the sharply overall impression which this performance decisively created.

With Debussy's *Sonata* both players were again responsive to an elusive mode of discourse. Perhaps the outer movements' created textures were sometimes made to appear heavier than they really are, but the "Intermezzo" of wayward fantasy and mock vehemence, was sensitively judged. *Jabouché*, a ballet suite of 1903, claimed more serious attention. It has the somewhat unusual scheme of two quick movements framed by two slow ones and is urban all three instruments are driven quite hard and real compositional advantage is taken of their disparate textures and of types of gesture was impressive.

My other concert was what might be called a technical debut — "Inaugural concert"

was the term used on the leaflet — in that although the Raphael's main sympathies lie with such music. Even the most rarefied passages conveyed great intensity, and the richly detailed writing for both violin and piano was entirely subordinate to the sharply overall impression which this performance decisively created.

With Debussy's *Sonata* both players were again responsive to an elusive mode of discourse. Perhaps the outer movements' created textures were sometimes made to appear heavier than they really are, but the "Intermezzo" of wayward fantasy and mock vehemence, was sensitively judged. *Jabouché*, a ballet suite of 1903, claimed more serious attention. It has the somewhat unusual scheme of two quick movements framed by two slow ones and is urban all three instruments are driven quite hard and real compositional advantage is taken of their disparate textures and of types of gesture was impressive.

Max Harrison

2 ACADEMY AWARD NOMINATIONS
ROBERT DUVALL — BEST ACTOR
MICHAEL O'KEEFE — BEST SUPPORTING ACTOR

THE GREAT SANTINI

FROM THURSDAY CATE THREE

PROGRAMMED BY GORDON SUMER, 340A, 100, 100, 100

Spanish elements in "Alborada del Gracioso" from the *Concertos* were nicely pointed. Mr Hellaby's technique was fully extended here yet he contained the fierce technical problems and maintained rhythmic accuracy.

The Balakirev *Sonata* was a welcome inclusion, although its tentative, exploratory opening should have been stated less clearly. Mr Hellaby has a great deal of talent, but he must search more beneath the surface of things rather than let his facility carry him along. Not that this work's rare quality was concealed.

Klara Baranyi started Baydn's *Sonata* Rob. NVI/31 well. The Moderate being spry and immaculate, the sound clear yet well nourished. The Allegretto also impressive, having an air of capriciousness, almost improvisatory freedom that well conveyed the music's sense of adventure. Only the Presto was somewhat varied in stance, cancelling something of the previous movements' effect.

Franz Blaischein's *Sonata* of 1975, which had its British premiere. This self-confidently athletic piece is exhilarating in its kaleidoscopic manoeuvres and take-it-or-leave-it dissonances. In fact Blaischein, though unknown to The New Grove, is well able to draw impressive sonorities from the piano, even if his actual musical ideas are not exactly memorable in themselves.

The most successful of Miss Baranyi's readings, however, was of the Franck *Prelude, Choele and Fugue*, in which the music's somewhat plangent emotionalism was handled with discretion. At another level she held in check, and there was a strong sense of the meaning of the Scherzo's high spirits were essentially spacious, the tone fuller and rounder than hitherto.

In the Adagio of the *Sonata* op 30 no 2 Rainer Gepp made the Wigmore Hall's Steinway sing more expressively than Christine Raphael's 1754 Guadagnini violin. But perhaps that was due to Beethoven. Musical momentum was perceptively maintained in the outer movements, although the Scherzo's high spirits were made to seem of an unduly strenuous kind. Schoenberg's *Fantasy*, op 47, is nothing if not strenuous, but the interpretation, more secure than the

Law Report March 2 1981

Court of Appeal

Untraced driver's unexplained braking

Elizabeth v Motor Insurers' Bureau Ltd
Before Lord Denning, Master of the Rolls, Lord Justice Shaw and Lord Justice Oliver

The unexplained sudden braking of a car is prima facie evidence of negligence. It is important that claims for compensation by victims of untraced drivers which are made to the Motor Insurers' Bureau Ltd and consequent negotiations should appear to be investigated fairly and justly.

The Court of Appeal so stated when allowing an appeal by Mr Joyce Francis Elizabeth of Chatham, Kent, against Mr Justice Stocker's dismissal of her application for an order that the award of Mr B. A. Hytner, Q.C., in the reference to arbitration before him under the agreement between the bureau and the Secretary of State for the Environment dated November 22, 1972, be remitted to the arbitration for reconsideration. The court ordered that the matter should be remitted to another arbitrator.

Mr Elizabeth in person; Mr Henry de Lotbiniere for the bureau.

The MASTER OF THE ROLLS said that some years ago trouble had arisen over drivers who had stolen cars and caused accidents—and perhaps could not be traced. How could the injured party get compensation?

By an agreement of November 22, 1972, between the Motor Insurers' Bureau and the Secretary of State for the Environment provision was made for compensation of victims of untraced drivers. The agreement had many unusual features. The injured person who was unable to trace the person responsible was to receive compensation if he could show the balance of probabilities that the person was liable to pay damages to the applicant in respect of the injury. It was virtually impossible for a claimant to establish at law against the untraced person. If the injured person's claim was rejected by the bureau, an appeal could be made to an arbitrator.

Queen's Bench Division
'After entry' proof not on immigrant student

Regina v Immigration Appeal Tribunal, Ex parte Shaikh
Before Mr Justice Bingham
[Judgment delivered February 19]

An immigrant student who applies for an extension of his leave to remain in the United Kingdom as a full-time student does not, at that stage, have to satisfy the Secretary of State for Home Affairs that he intends to leave the country at the end of his studies as he is required to do by rule 17 of the Statement of Immigration Rules for Control after Entry: Entry, and other Non-Commonwealth Nationals on original application for entry into the country. Nor does the mere fact that he has expressed an intention to remain in the United Kingdom if permitted to do so of itself disqualify him from the grant of such an extension under rule 12 of the Statement of Immigration Rules for Control after Entry: EEC and Other Non-Commonwealth Nationals.

The Divisional Court allowed an application for judicial review by the applicant, Shaikh Muneeb Ahmad, a citizen of Pakistan studying in the United Kingdom, and quashed the decision of the Immigration Appeal Tribunal that he was not entitled under the Immigration Act, 1971, and the Statement of Immigration Rules for Control after entry, to a variation of his conditions of his leave to remain in the country to enable him to continue his studies on the ground that he had not shown that he intended to leave the country on completion of the studies.

Rule 17 of the Statement of Immigration Rules for Control after Entry provides: "An applicant is to be refused an entry clearance as a student if the officer is not satisfied that the applicant is able, and intends, to follow a full-time course of study and to leave the country on completion of it..." Rule 12 of the Statement of Immigration Rules for Control after Entry provides: "Applications from students or would-be students for variation of their leave will be considered on the basis of the evidence, which is verified by a check being made, that he has enrolled for a full-time course of day-time study which meets the requirements for admission as a student; that he is giving regular attendance; and that he has adequate funds available for his maintenance and that of any dependants. When an extension is granted the student may be reminded that he will be expected to leave at the end of his studies."

Mr Jan MacDonald for the applicant; Mr Simon D. Brown for the Secretary of State for Home Affairs.

MR JUSTICE BINGHAM said that in October, 1973, the applicant received leave to enter the United Kingdom for 12 months to pursue a three-year course at Essex University, but finding that course unsuitable he had transferred to Manchester Polytechnic to take a two-year BND course in computer studies. He completed that course in 1978. In the meantime he had been granted several extensions of his leave to remain, each for 12 months except the last extension which was due to expire in July, 1978. In June, 1978, the applicant applied to the Secretary of State for another extension as he wished to pursue a further three-year course for which he had been accepted by the polytechnic.

The Home Office wrote asking him what his future intentions and long-term plans were. The applicant replied: "I intend to start a career in the computing field. I like to start my career in this country. If you grant me permission to start work in this country, then I can join evening classes in advance computing printing. My long-term plan is to be in a good career in computing field and long-term service for United Kingdom industries."

The Secretary of State took the view that by that letter the applicant had made it clear that he considered his future lay in the United Kingdom (an interpretation which Mr MacDonald, for the applicant, submitted could not fairly be extracted from the letter). The Secretary of State was not satisfied that the applicant intended to leave the United Kingdom on completion of his studies and refused the application for an extension of his leave to remain.

On appeal, the adjudicator accepted the applicant's evidence that he had no intention of remaining in the United Kingdom beyond the end of his new course and allowed the appeal, directing that permission to remain be granted

who had to "decide the appeal on the documents submitted to him" without further evidence. It was very important that everything should be done fairly and openly with sympathy to the injured person.

On December 2, 1976, Mr Elizabeth had been driving his motor cycle behind a van when the van braked suddenly and Mr Elizabeth ran into its back. The van went on and the driver was never traced.

Some time afterwards a statement was taken from the driver of a following car, and on that statement the bureau took the view that Mr Elizabeth had not made out his case.

On appeal, the arbitrator had looked at the statements and said that he found it "impossible to say that the applicant had proved on the balance of probabilities that the driver did anything negligent which caused his accident." The arbitrator was clearly putting the burden of proof on Mr Elizabeth when in the circumstances the burden of proof was on the van driver to show why he had suddenly braked.

In *Ritchie's Car Hire Ltd v Bailey* (1958) 108 L.J. 3451 a woman who had been braked hard to avoid a pedestrian which in front of her car was held to have been negligent in braking when there was a car behind her.

It was important in such cases that fairness and justice should appear to have been done. The court had a general discretion under the Arbitration Act to remit the award. The appeal should be allowed and the matter remitted to another arbitrator.

Lord Justice Shaw and Lord Justice Oliver agreed.

Solicitors: L. Bingham & Co.

Fashion
by
Suzy Menkes

Right: Patent straw and feather hat £42 in red, navy, off white or black by Frederick Fox from his salon at 87-91 New Bond Street, London W1. Harrods, 1b Jorgensen, 18 Sloane Street, London SW1, Peter Gilmore of Cardiff, Sacs of Altrincham, Schofields of Harrogate and Rudolph Glasgow. Black and white finely striped spotted pure silk jacket £128. Matching line stripe skirt £85 and striped jersey T-shirt £39 all by Roland Klein from his shop 26 Brook Street, London W1. Harvey Nichols, Richard Allen of Dublin and Dorothy Rowley of Walsall. Open-work gloves £3.25 in assorted colours by Dent-Fowmes from Army & Navy, Owen Owen and Dingles branches. Pearl, lapis, crystal and gold tie necklace £1,200 from Sloane Pearls, Sloane Street, London SW1. Earrings from Ivor Gordon, 49b Sloane Street, London SW1.

Far right top: Fine straw and heavy net hat with hand painted flowers designed by David Shilling available in any colour combination from David Shilling, 36 Marylebone High Street, London W1. Pure silk crêpe de chine floral print jacket and matching skirt £174 on white or green ground, Hurel jersey vest in pink or turquoise all by Caroline Charles from her shop 9 Beauchamp Place, London SW3. Harrods designer room Simpson's of Piccadilly, Helen Sykes of Leeds, Regalia of Troon, R. W. Forsythe of Edinburgh, Joan Ponting of Birmingham, and Dorothy Rowley of Walsall. Earrings from Ivor Gordon, 49b Sloane Street, London SW1.

Far right bottom: Fine jersey pill-box hat with crocus spray £61 in pink or white (other colours to order) by Dolores from Selfridges. Daisies of Glasgow and Jacqueline Morgan of Wombourne. Silk wrap dress £155 and bigger spot blazer £155 in pink, navy, red, royal blue or yellow, by Jasper Conran from Shaws, 48 Beauchamp Place, London SW3. Lucienne Phillips of Knightsbridge, Poppingay 2 of Chichester and Marian Gale of Dublin. Diamond and pearl drop earrings from Art Nouveau specialist Ivor Gordon, 49b Sloane Street, London SW1. Pearl choker with enamel clasp from Sloane Pearls, 49 Sloane Street, London SW1.



Photographs by Serge Krougloff. Hair by Dar at Clifford Stafford. Make-up by Davis Garvin at The Model Agency.

The hat makes a royal comeback

Inside every jeans-wearing, Metro-driving, hard-working, flat-sharing girl, there is a romantic heroine in a large hat longing to get out.

The excuse for writing about hats is, of course, the forthcoming Royal wedding. The proof that all women secretly long to see themselves in a hat lay on the floor of my office last week. As the flock of hats nestled in snowy tissue paper in their large boxes, every woman passer-by from 18 to 50 came to look and try on, until I was protecting the precious model hats from the predators as anxiously as a mother osprey.

I come from a generation that has no idea how to wear a hat. Because we put them on only for the rarest of events, we are shy about buying them, hopeless about fitting them and confused about what a hat is supposed to be doing for our chosen outfits.

"Many women don't even know their head size," says royal milliner Frederick Fox despairingly. "If you can't get a hat on, it doesn't look right. And if you haven't worn hats, you need help. A hat is rather like a chiffon dress—it looks nothing on the hanger."

Frederick Fox's hats hang in his Bond Street salon on the branches of a hat tree, or are perched elegantly on embryonic wooden blocks. They are mostly small and shiny, little toadstools of lacquered straw or veiled pill-boxes blossoming with flowers.

Scattered around the salon are photographs of Frederick Fox's most famous conjuring trick: the transformation of Princess Michael of Kent from a large, raw boned lady under a mushroom cloud of hat, into a crisply elegant Princess in a small slanted pill-box trimmed with seductive veiling.

I stood in front of the large mirror in my trouser suit, while Freddy popped his featherlight creations on to my windswept hair. The right hat, I realized, like the right house or the right man, can be recognized when you see it. I looked surprisingly good in most of them.

Like a Venetian blind opening up to the sun, spring shoes are letting in a breath of fresh air.

Shapes have changed very little since the pump and the loafer established themselves as the comfiest shoe fashion for years.

But the new footwear is given a light-weight look by the use of punching, mesh or lattice work, mostly fashioned out of the traditional leather.

If you want to tip toe through the tulips in open-toed cut-away sandals, there are plenty of shoes around already in the shops. But the more conventional shoes, with the look, but not the feel of open air, are a practical compromise between our hopes of warmer weather and the reality.

Mesh peep-toes, £36.99, in navy or white from main branches of Russell & Bromley. Punched shoes with tan underlay, £52, in navy, red, beige, white or khaki green, from Charles Jourdan, 39-43 Brompton Road, London, SW3. Punched sling back by Jordache, £26, in white/pink, white/beige, white/blue, from all branches of Chelsea Cobbler and selected branches of Rayne. Patent leather and mesh shoes, £26, in bone, black, navy, red or white, from all branches of Rayne. Woven leather wedge heel shoes, £16.99, in white, natural, navy or tan, from all branches of Bally from next month. Multi-coloured interwoven shoes, £24, in blue, peach, green or white, by Soda, from all Rider shoe shops, South Molton Street, Kings Road and Sloane Street. White flatie with contrast laces and eyelets, £49.50, from Charles Jourdan, 39-43 Brompton Road, London, SW3.

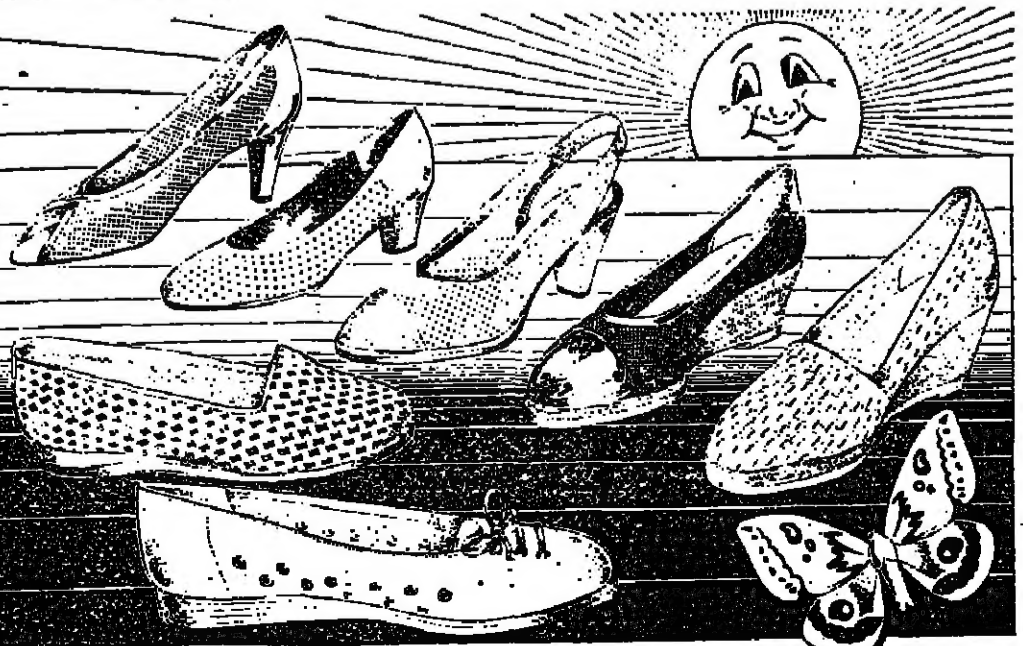


Illustration by Duncan Mill

lose her fringe if she is to wear hats successfully.

When I saw our hairdresser Dar working to give the elegance of a chignon to our model's short, spiky hair, I realized that a big occasion needs the full professional treatment.

The pheasant's feathers clearly come after the egg: you must choose the outfit first. This summer we are fortunate in that the soft crêpe de chine separates which is what most people will choose for wedding/Ascot outfits, are particularly easy to wear.

Since silk blazers, pleated shantung skirts and crêpe de chine T-shirts are simply extensions of our daily sports wear in more glamorous fabrics, we should not feel shy and uncomfortable about getting dressed up.

But what about those hats? Frederick Fox says that his best clients are those who own racehorses and are used to wearing hats to cheer their steeds past the winning post.

For someone like me, whose only recent

brush with millinery was a woolly hat bought for skiing, it needs more practise. That is exactly what you should do, according to David Shilling, who suggested wearing the hat around the house a couple of days before the big event ("any wedding is a very long day"). Model hats are, of course, particularly light, well-fitting and comfortable. The difference in weight between a giant featherlight straw by Dior (at £90) and a far smaller flower trimmed straw boater from a chain store is remarkable.

The grand milliners are looking forward with some trepidation to a very busy season. Since the hall-marks of a good hat are its hand-made trimmings, hand-dyed feathers and veils hand-spun with the skill of a spider, they are expecting many an anxious and sleepless night.

Perhaps, like the Tailor of Gloucester, they will find a helpful band of mice to see them through.

Options

I am an Austin Reed Woman, because—
 "Options is the shop that suits my life style,
 Options specialises in my sort of clothes—versatile and well made.
 Options makes it so easy for me to have my own account.
 Options gives me personal service.
 Options special secret is that it really is for today's woman."

AUSTIN REED

Floor 3, 103/113 Regent Street, London W1

As money gets tighter the public asks a pertinent question

Is the growth in government expenditure desirable?

The share of our output that governments spend on paying their employees and buying in goods and services has been rising (Table I). In the good years, people were becoming more prosperous and they accepted increasing government expenditure philosophically. Now that economic growth rates have slowed, however, the public are starting to question the desirability of this growth in government expenditure.

The statistics which purport to measure government output at constant prices largely reflect not the quantity of services produced, but the quantity of resources used in supplying those services. There is, therefore, no value obtained from government services has risen fast enough to justify the rate of increase in expenditure on them.

One approach is to argue that a nation should buy less of a service if its relative price increases and more if it declines. Table II, therefore, compares trends in the price of government services relative to that of the domestic product taken as a whole, with the share in the quantity of resources devoted to these services. The relative price estimates make little or no allowance for improvements in the quantity or quality of the services. The table can, however, be used to estimate by how much these factors must have risen in each country to justify the trends in the allocation of resources.

In Germany, the quantity or quality factors must have increased by well over 25 per cent since 1965 (the table understates the true position since, unlike the other countries, Germany assumes that productivity is improving when calculating government output at constant prices). In Britain the factors referred to must have increased by about 20 per cent, while in France, to justify the falling trend in resource share, the ratio of actual to apparent value should have risen by less than 20 per cent and in Italy there should have been no increase at all, or perhaps even a slight decline.

Is there any evidence to show that variations in the quantity or quality have behaved in these different ways in the different countries? The easiest services to examine are health and education, which account for between a third and a half of all government consumption. Basically we can use our estimator or quantity the number of people receiving each type of service, but we must also consider whether there have been changes in quality.

Table III shows how much the number of students weighted by grade has grown in each country between 1965 and 1975, a proxy for growth rates in the quantity of health services consumed, the table also shows indices for the number of

admissions to non-psychiatric hospitals. The remaining columns of the table show the ratio between these indices and that for government expenditure at constant prices. These are compared with the relative price indices shown in Table II. It will be seen that if we correct only for quantity the French and Italian figures are consistent with the declining shares noted.

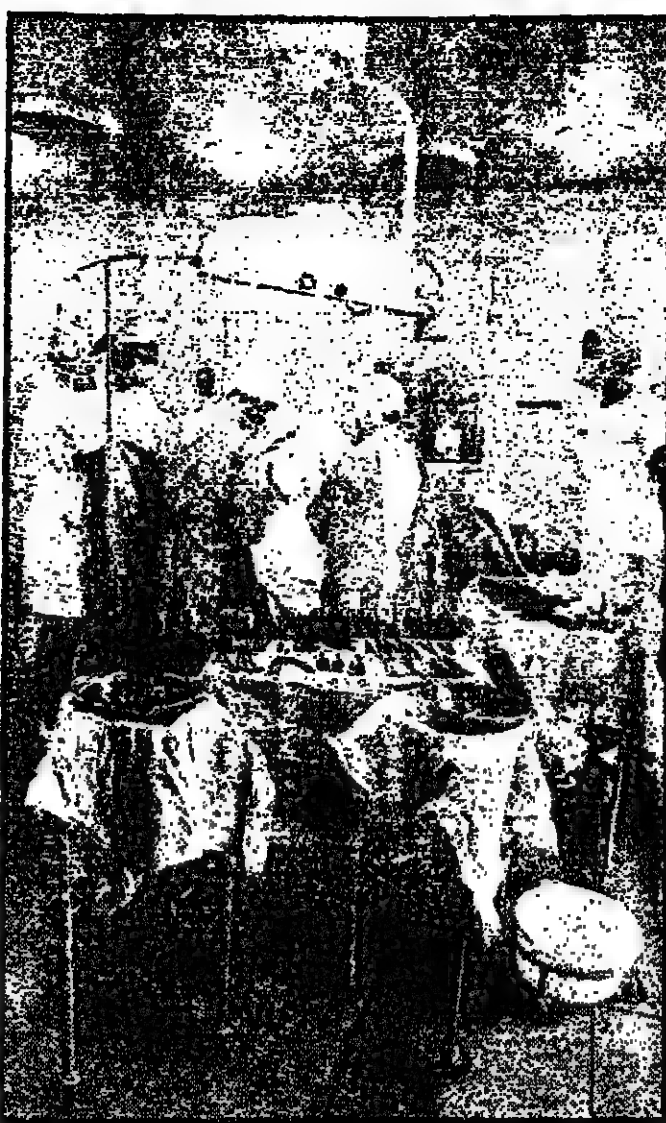
For Germany, unless the education index is much more typical of growth in the quantity of services provided by the German Government than is the figure for hospital admissions, the rising share of resources devoted to government expenditure cannot be explained without recourse to quality improvements. Britain is in an even worse position. The increase in output quantity is less than the real increase in government expenditure. This means that to justify the rising share of resources devoted to government expenditure the quality of the services will have to have improved faster than their relative price.

There is little evidence to suggest that the quality of education has improved significantly since 1965. Some might be tempted to adopt the circular argument that an increase in resources used by a student represents an improvement in quality. However, educational researchers say attempts to demonstrate that small classes produce better results than large ones have been at best inconclusive, so it is unlikely that a reduction in pupil:teacher ratios leads to a pro rata increase in educational quality.

In health care, on the other hand, there have been improvements demonstrated by the declining rates of mortality associated with birth. Other factors besides improved health care contribute to the increased expectation of life. This figure therefore, represents the maximum benefit obtained from an improvement in health care although an allowance should be made if any reduction in suffering as a result of bad health could be demonstrated.

The figures shown here are patchy but they do not provide much evidence to suggest that the real value of government services in Britain and Germany has improved sufficiently to justify the increasing share of resources devoted to them. Germany might possibly be able to justify its economic growth rate has been such that it now places a greater value on services than on goods, but even here it is difficult to see why this argument should not also apply to France whose growth rate and standard of living is comparable. Britain is certainly in no position to advance this argument.

The French and Italian figures are complicated by the practical exclusion of health



The health services are one sector in which increasing government expenditure, both in Britain and West Germany, may not be justified.

service expenditure but its possible that France has reacted to the rising relative cost of government services by reducing the resources allocated to this function while Italy has been more successful than the other countries in controlling cost increases.

Rates of pay are the most important determining factor of the relative price of government services. After 1975 the price of British government services started to increase less than did the general rate of inflation. This was because of the incomes policy then in operation but could also have been caused by a realization that the services had become overpriced. More recently, however, the relative price has started to rise again as a result of public servants obtaining

wage increases to restore the 1975 position.

The present Government has now declared that future wage increases will be curbed but this declaration has been justified on the grounds of economic difficulty, not of poor productivity. There is no reason to suppose, therefore, that relative prices will not start to increase again.

When is needed is the preparation of more detailed output statistics, as recommended by the United Nations and the EEC, for each department of government. These statistics would not only enable improvements in the quality or quantity of services to be estimated more precisely but they would also enable productivity to be monitored and commensurate wage increases awarded. In this way resources could be allocated more rationally than at present.

James Rothman

*Manual on National Accounts at Constant Prices, UN, 1974, Price and Volume Measures for Non-Market Services, Hail TP, Statistical Office of the European Communities, 1975.

Table I: The Government's share

	Percentage share of gdp spent on government services			
	Germany	UK	France	Italy
1960	13.5	16.5	14.1	12.2
1965	15.3	18.8	13.3	14.5
1970	15.9	17.7	13.5	12.7
1975	20.9	22.4	14.4	13.8
1977	20.0	20.8	14.9	13.7

* Adjusted to enable comparison with subsequent years.
Source: Calculations based on UN National Accounts Statistics.

Table II: Relative price indices and government shares in quantitative terms

	Germany		UK		France		Italy	
	Relative price index	Govt. share	Relative price index	Govt. share	Relative price index	Govt. share	Relative price index	Govt. share
1960	92	16.2	95	21.8	90	16.7	81	15.0
1965	100	17.0	100	21.1	100	14.8	100	14.5
1970	111	15.9	109	20.3	107	13.4	100	12.7
1975	126	18.4	125	22.4	121	12.8	102	13.5
1977	127	17.6	120	21.7	124	12.9	105	13.1

Relative price index. Cost of government services relative to that of all goods and services (ratio between government consumption at current and constant prices, divided by gdp deflator and indexed to 100 in 1965).
Govt. share. Government expenditure at constant prices as a percentage of gdp at constant prices.
Health service expenditure has risen as a percentage of gdp. If the French and Italian quantity shares had included health expenditure financed by transfers the downward would not have been so marked.
Source: Calculations based on UN National Accounts Statistics.

Table III: Has the increase in government output grown enough to explain the apparent increase in relative prices?

	Germany UK France Italy			
	1975 index (1965=100)	for:		
Students weighted by grade at 1975 prices	187.6	136.8	132.3	141.3
Hospital admissions (non-psychiatric)	131.9	114.8	155.3	143.7
Ratio to index for expenditure at constant prices, % 100:				
Students	126	103 (88)	94	97
Hospital admissions	88	87 (86)	111	99
Relative price index	126	125	121	102

* Ratio to government educational and health expenditure at constant prices—corresponding figures for other countries not available.
Source: Calculations based on EEC statistics.

Table IV: Health improvements between 1960 and 1973

	Reduction in mortality per 1000 births				Additional years of life*	
	Perinatal	Infant	Maternal	Men	Women	
Germany	13	13	61	0.4	2.0	
UK	12	5	26	0.7	1.3	
France	13	13	28	2.2	3.8	
Italy	19	22	72	0.9	2.6	

* Difference between expectation of life at one year old in 1963 and 1973.
Source: Calculations based on data in International Comparisons of Health Needs and Services by Robert Maxwell, King's Fund Centre, 1980.

Methods used to estimate government output and expenditure at constant prices

Germany: Volume of employment adjusted to allow for increases in productivity, also volume of purchases and depreciation.
UK: Volume of employment and purchases.
France: Education, a weighted index of students enrolled at various educational levels. Remainder from volume of employment, purchases, capital consumption and secondary sales.
Italy: Education, number of pupils graduated. Remainder from volume of employment, purchases and capital consumption.

Source: National Accounting Practices in 70 Countries, United Nations, 1979. Volume implies either a direct measure of quantity suitably weighted, or expenditure deflated by a suitable price index.
In France and Italy government expenditure includes only a small proportion of expenditure on the health services.

Gossip from Brussels

Gaston's lot is not a happy one

"Roy may not have set the world on fire, but after a few months of Gaston we will be begging him to come back," was the jaded prediction of one senior British official when Mr Roy Jenkins handed over to Mr Gaston Thörn as president of the European Commission at the start of the year.

Things have not yet come to that pass, but the Luxembourg's first two months in office have been far from happy. From the moment he set foot in the Berlaymont, the Commission's glass-and-steel headquarters in the heart of Brussels, little has seemed to go right.

First, there was the indecorous scramble for jobs in the new Commission. This quadrennial event is always a painful exposure of the hypocrisy of the Commission's pretensions to be an Olympian college far above the crude interplay of national interests which motivate ordinary politicians. But the pretence looked especially thin on this occasion.

Admittedly, Mr Thörn had always been fewer worthwhile jobs in the Commission than applicants, whose number was this year increased from 12 to 13 (not counting Mr Thörn himself) by the arrival of Mr George Komogoridis, the new Greek commissioner. He is a spry 68-year-old (rumoured actually to be in his early seventies) from the island of Tinos in the Aegean.

Mr Thörn's task was made still harder because an "old guard" of eight incumbent Commissioners, led by the formidable Belgian, Vicomte Etienne Davignon, already held most of the best portfolios and had made clear they had every intention of hanging on to them.

Indeed, Vicomte Davignon, in a remarkable feat of daylight piracy, grabbed both the energy and scientific research portfolios to add to his existing industrial responsibility, even before the negotiations proper on job distribution had begun.

Last year Vicomte Davignon was on the short list of candidates to succeed Mr Jenkins as president, and at one time had seemed more likely to do so than Mr Thörn. As a result, Mr Thörn was under some pressure to soothe the Belgian's thwarted ambition with a generous consolation prize.

It was against this background that there occurred what has come to be known as the "Tugendhat affair". It had all the ingredients of the best Brussels disputes: cloak-and-dagger work in the corridors, malicious "leaks" to the press by interested parties, and a personal telephone call from Mrs Thatcher's "fuming" about "insults" to Britain.

Very much the junior British Commissioner when he first came to Brussels in 1977, Mr Christopher Tugendhat had been grateful to accept the second-rank budget portfolio. Two years later, to his own and most other people's surprise, he found himself juggling with one of the hottest political potatoes in the Commission.

This was brought about by Britain's dispute with its EEC partners over the size of its budget contributions. Last May's temporary settlement reinforced the Commission's role by bequeathing to it the task of producing proposals this summer for a permanent reform of the EEC's finances that would prevent such disputes arising in future.

As Budget Commissioner, with four years' experience behind him and elevation to one of the Commission's five vice-presidencies in prospect, Mr Tugendhat was thus looking forward to playing the central role, second only to that of the president himself, in the preparation of these crucial proposals.

To his horror Mr Tugendhat discovered that Mr Thörn was proposing to delegate some of the coordination of work on the budget reforms—a necessary function given that a number of different spending departments would be involved—to Mr Michael O'Kennedy, the likable, if ambitious, new Irish Commissioner.

Was this, as some in Mr Tugendhat's entourage tended to suspect, a sinister plot to weaken British influence over budgetary policy? Or was it merely, as many observers thought, an attempt to give Mr O'Kennedy, a fine-sounding title to disguise what was in reality pretty much of a non-job?

The finally agreed definition of Mr O'Kennedy's job certainly did not appear much of a threat to Mr Tugendhat. He chairs the group of Commissioners working on budgetary reform on behalf of Mr Thörn, when the latter is otherwise occupied, and provides liaison between the different departments involved. But he has no overlord role, as Mr O'Kennedy, as personnel manager (also part of his portfolio), has spent most of his time so far trying to mediate in the dispute over pay and conditions between the staff of the EEC institutions and member states. This is likely to occupy him for at least a further month, so his budgetary role may not be put to the test for some time.

Scarcely had the dust settled on the Tugendhat episode when the suddenly deaf Mr Finn Olav Gundelach, the highly respected Dane who had been in charge of agricultural policy for the past four years, threatened to reopen the debate over job allocation.

Partly as a result, Mr Thörn and his colleagues decided, despite some misgivings, to give Mr Gundelach's job to his compatriot, Mr Paul Dalsager. As a long-running Danish Minister of Agriculture, Mr Dalsager was technically well qualified, but his doubts about his ability. His lack of any language but Danish was also counted a disadvantage.

Mr Thörn's troubles were still not at an end. His own personally appointed "chief of cabinet", Mr Adrien Ries, a fellow Luxembourg and seasoned Commission official, resigned after only a few weeks in the job, allegedly after a nervous collapse brought on by a dispute with his superior.

In a widely applauded appointment, Mr Thörn quickly filled this unexpected vacancy with Mr Fernand Spaak, son of the late Paul-Henri Spaak, the distinguished Belgian Socialist and one of the founding fathers of the EEC.

Mr Thörn was looking in better shape when he appeared before the European Parliament last month to make the traditional report of an incoming president. Unfortunately, his thunder was diminished by the appearance of President Sadat the previous day, and the failure of the Commission's printers to produce texts of his speech on time.

What he said to the Parliament caused a stir. Mr Thörn appeared to be calling for bold moves towards political and economic union by 1984. On closer examination, however, his speech looked more dramatic than realistic. "The trouble is that Gaston tends to get carried away by his own verbosity,"

Michael Hornsby

On the contrary

Jeux sans frontières

Et maintenant, à vous, Guy Lux!

Bien. Voilà, les dix concurrents sont prêts et ça commence! Ils doivent d'abord essayer de traire la vache mécanique sans toutefois faire déborder le seau, sous peine de perdre des points et payer une prime de co-responsabilité... Oh là là! Attention! Ça coule à flots! Faut faire mieux que ça, voyons!

Ensuite, c'est le jeu des équilibristes (budgétaires s'entend). Il faut bander les yeux, ramasser cent mille balles, traverser l'échiquier géant, et revenir indemne, tout en se balançant du juste retour. Personne n'y a réussi jusqu'ici, mais il reste beaucoup à gagner.

Juste avant l'entr'acte, l'ensemble des équipes nationales va essayer le jeu de la TVA (traduisez: tout va augmenter). Voici comment cela se joue. On va rassembler tous les concurrents dans cette grande maison qui est une espèce de pressoir, avec des poids lourds—Français, Anglais, Allemands—sur le toit. Pour en sortir, sans autres ressources propres, l'ensemble des équipes doit essayer de soulever le plafond, fixé actuellement au niveau de... oui, un pour cent.

En fin de programme, on va voir si les dix concurrents seront capables de jouer ensemble aux diplomates et, la cas échéant, aux soldats. A en juger par leurs performances jusqu'à maintenant, je ne leur donne pas de grandes chances.

Pangloss

Luca Guirato

Man who once saw coordinating Community policy as 'impossible'

Now Signor Scotti has overcome his own acute crisis

In Italy, coordinating Community policy is no longer "impossible", as the Italian Minister for Europe, Signor Enzo Scotti, described it last Christmas, when he threatened to give up and leave a government where "at one desk the Minister for Agriculture decided something, and at another the Minister for the Budget cancelled it".

Today, Signor Scotti, aged 47 and a brilliant, intelligent Neapolitan and Christian Democrat who is close to Signor Andreotti but, at the same time, a personal friend of Signor Forlani, is no longer something unique in Italy—a minister who wants to resign because he is not allowed to do his work properly.

The Minister for Europe (a post that was instituted to coordinate Community policy) has overcome his own acute crisis, the condition of the chronic invalid that threatened to turn

him into a "bureaucratic sarcophagus", mummified and useless, shut away in a corner among the most bewildered members of the President's entourage.

Signor Scotti has not yet won his war against the ministers' departments, against centralising bureaucracy, against those "apparatuses", even in Parliament, that have an almost nineteenth-century idea of the state and international relations so that they keep the flow of information, that is essential to the work of coordinating Community policy, locked jealously away in their drawers.

He has won many battles, however, the most important of all being the fundamental one for "power of attorney" in respect of relations with the Community, from the President and several ministers.

The thing that still isn't working properly is the minister's telephone calls and another—first Signor Forlani, then his colleagues Signor Reviglio

(Finance) and Signor Pandolfi (Industry), and finally the trade union leader, Signor Pierre Carniti, leader of the CISL—"is the relationship between government and parliament where Europe is concerned. It is very thin."

Was it that the members of the Italian Parliament did not give a straw for Europe's problems? "There is a kind of parliamentary strong arm clamped down on the material necessary for applying Community directives", the minister says. "Obstacles are placed in the way, so that the Community's laws cannot be carried out. Hence the indifference of public opinion in Italy, where European questions are concerned."

After having solved other problems, how did he propose to get over this one? "By fighting in Parliament to make members realize the position; by promoting a sort of debate in advance on such questions as, for example, the Community

budget. It is important, it is not indispensable, for an Italian negotiator to have Parliament's agreement on these delicate questions."

What battles did he have to fight, in order to get his ministry off the ground? "The first—over which, moreover, I had a very hard discussion with Forlani, who got a bit annoyed—was to define the powers that the President had to delegate to all."

Asked whether he was a minister without any powers, he replied: "As a minister without portfolio, I have no responsibility of my own. I exercise only responsibilities delegated to me by the President. The President has power to direct and coordinate the Government's action. All the argument about the powers of the Minister for Europe, which stirred up the resistance of many departments, is false."

"It is not a matter of setting up a new department alongside the others. That would not solve the problem, which exists

in every country in the Community, of coordinating our position. It is a matter of exercising the powers of the President. That is why I put the question in terms of the delegation of powers, and the reorganization of the President's office. This question of Community policy is one of the most important aspects of the political coordination of the President."

Signor Scotti has won his battles by convincing the ministerial departments that it was not his intention "to take anything away from anybody, but simply to ask the departments to do their work on the basis of internally agreed policy. There is a question of interdependence between one decision and another. All decisions reciprocally influence one another."

The minister confirms that there was resistance in the individual ministries to the idea of just getting on with the job for which each is responsible, without coming to

blows with the others, and so reaching a common point of view. "But, in the end, the majority became convinced, thanks partly to the experience of other countries, on which we want to model our experience here."

"I do not want a full-blooded ministry of European affairs, which would be a mistake, since European policy is an integral part of internal policy. Instead, we have to bring about a single government line on this subject, without splinter groups and areas of resistance."

The work has begun. Now there are new problems, extending from general questions of organization to increasing the flow of information. "As soon as things are going smoothly in these fields too, I can leave quietly, without fuss, my mind at rest. My work will be done. Someone else can carry on in my place."

Luca Guirato

EUROPA

Facts and figures

Prospect of full-scale trade war looms

International economics are dominated by the strikingly contrasting performances of the dollar and the Deutsche mark. More worrying, however, is the fact that the dollar, although still a dominant force, is losing its grip on the world economy. In the overall depression, foreign trade is becoming the only lever they can use to circumscribe the recession and slow the rise in unemployment, which is reaching peaks unknown since the great depression of the 1930s.

Hence the increasingly pronounced contrasts among the four European countries, which are on the defensive, and the inevitability of a full-scale trade war, with governments coming to the rescue of their home industries, using the full arsenal of resources devised and developed over the years.

The most catastrophic situation is still that in Italy, whose trade deficit increased fourfold between 1979 and 1980. The Government, short of taking action aimed at a real improvement in competitiveness, has approved direct measures to make available almost 10,000,000 lire to provide Italian exporters with cheap credit. As well as an improvement in the trade balance, it is looking for a 3 per cent contribution to growth in the year and the creation of 380,000 extra jobs.

The scheme is impressive, but what are its chances of success? There is no lack of it. In monetary terms, how is it possible to reconcile this boost given by Signor Enrico Manca, the Minister for Foreign Trade, with the application of the brakes by Signor Nino Andreatta, the Minister for the Treasury, who is aiming to back his efforts to counter inflation by imposing strict limits on credit growth, which he intends to keep within 12 per cent (whereas the inflation rate is above 20 per cent). Not surprisingly, this strategy has caused a certain amount of vacillation in the Italian Government.

The most worrying aspect, however, is the extent to which international limitations can compromise such a course of action since, if each country is hoping to derive maximum benefit from a protective improvement in conditions in neighbouring countries while holding out at home, the chances of success are far from certain. What is worse, such a strategy could backfire.

	quality of growth			maintenance of growth		
	rate of growth	prices	unemployment	productive foreign capacity	trade	vulnerability to external factors
GERMANY	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
FRANCE	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
ITALY	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
BRITAIN	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●

United States: strong economic activity

Growth rate: the signs continue to point to strong economic activity rather than to any slowing down. December saw increases in industry's orders (1.9 per cent) and orders for durable goods (1.9 per cent); in January retail sales rose by 2 per cent and industrial output by 0.6 per cent.

Prices: there has been no let-up in inflation which, on the basis of the last three months of 1980, is running at a rate of over 13 per cent.

Unemployment: the unemployment rate, calculated as a proportion of the working population and seasonally adjusted, was unchanged between December and January at 7.4 per cent. However, the absolute figure for the number in employment has risen by 410,000.

Foreign trade: the trade deficit, calculated fob/cif, increased sharply from \$1,650m in November to \$2,980m in December; oil imports were up 22 per cent by volume and 25 per cent in value terms.

Monetary and financial influence: although there has been a further slight fall in prime rates to 19 per cent, there can be no real relaxation until significant progress has been made in reducing inflation and the budget deficit.

Japan: industrial output on upward trend

Growth rate: industrial output seems to be on an upward trend, the December 1980 figure having been 3 per cent higher than that for December 1979 (compared with a 1.9 per cent increase in November).

Prices: inflation stabilized over the last three months at an annual rate of 3 per cent; calculated over 12 months, the rate is down from 8.5 per cent to 7 per cent.

Unemployment: the unemployment rate, calculated as a proportion of the working population and seasonally adjusted, fell from 2.3 per cent in November to 2.2 per cent in December (the Japanese

rate is underestimated in comparison with the American and European rates). Foreign trade: the trade balance recovered well in 1980, which ended with a surplus of \$2,100m. The year 1981 began with a further surplus of \$470m in January, but a deficit of \$1,400m before seasonal adjustment.

being West Germany, in order to parry the thrust of the Japanese offensive. It was co-operation of this type that President Giscard d'Estaing was seeking at his meeting with Chancellor Helmut Schmidt on February 5 and 6. It was followed by a glowing communiqué, but no decisions.

This may be a little surprising, since the West Germans, too, are in distress. As a recent survey by the *Frankfurter Allgemeine Zeitung* shows, their exporters are pessimistic about 1981.

The world economic outlook has deteriorated but, as has been pointed out by Herr Wolf von Amerongen, chairman of the DIHT (federation of chambers of commerce), competition is also becoming keener; American competition in particular is beginning to be a

has eyes only for the monetary scene and quite recently expressed satisfaction at the firmness of the franc. But it is worrying the other members of the Government, who are concerned about the unemployment situation, particularly in highly localized industries such as textiles. Motor manufacturing, a "flagship" industry and until only a few months ago the biggest potential creator of jobs for less-favoured regions, is now giving the greatest cause for concern, hence the recourse to administrative methods of confining Japanese market penetration to 3 per cent. The real threat, however, is not so much to the domestic market as to exports.

This strategy, therefore, can succeed only if it is coordinated with other partners, the most important of these

being West Germany, in order to parry the thrust of the Japanese offensive. It was co-operation of this type that President Giscard d'Estaing was seeking at his meeting with Chancellor Helmut Schmidt on February 5 and 6. It was followed by a glowing communiqué, but no decisions.

This may be a little surprising, since the West Germans, too, are in distress. As a recent survey by the *Frankfurter Allgemeine Zeitung* shows, their exporters are pessimistic about 1981.

The world economic outlook has deteriorated but, as has been pointed out by Herr Wolf von Amerongen, chairman of the DIHT (federation of chambers of commerce), competition is also becoming keener; American competition in particular is beginning to be a

has eyes only for the monetary scene and quite recently expressed satisfaction at the firmness of the franc. But it is worrying the other members of the Government, who are concerned about the unemployment situation, particularly in highly localized industries such as textiles. Motor manufacturing, a "flagship" industry and until only a few months ago the biggest potential creator of jobs for less-favoured regions, is now giving the greatest cause for concern, hence the recourse to administrative methods of confining Japanese market penetration to 3 per cent. The real threat, however, is not so much to the domestic market as to exports.

This strategy, therefore, can succeed only if it is coordinated with other partners, the most important of these

being West Germany, in order to parry the thrust of the Japanese offensive. It was co-operation of this type that President Giscard d'Estaing was seeking at his meeting with Chancellor Helmut Schmidt on February 5 and 6. It was followed by a glowing communiqué, but no decisions.

This may be a little surprising, since the West Germans, too, are in distress. As a recent survey by the *Frankfurter Allgemeine Zeitung* shows, their exporters are pessimistic about 1981.

The world economic outlook has deteriorated but, as has been pointed out by Herr Wolf von Amerongen, chairman of the DIHT (federation of chambers of commerce), competition is also becoming keener; American competition in particular is beginning to be a

has eyes only for the monetary scene and quite recently expressed satisfaction at the firmness of the franc. But it is worrying the other members of the Government, who are concerned about the unemployment situation, particularly in highly localized industries such as textiles. Motor manufacturing, a "flagship" industry and until only a few months ago the biggest potential creator of jobs for less-favoured regions, is now giving the greatest cause for concern, hence the recourse to administrative methods of confining Japanese market penetration to 3 per cent. The real threat, however, is not so much to the domestic market as to exports.

This strategy, therefore, can succeed only if it is coordinated with other partners, the most important of these

being West Germany, in order to parry the thrust of the Japanese offensive. It was co-operation of this type that President Giscard d'Estaing was seeking at his meeting with Chancellor Helmut Schmidt on February 5 and 6. It was followed by a glowing communiqué, but no decisions.

This may be a little surprising, since the West Germans, too, are in distress. As a recent survey by the *Frankfurter Allgemeine Zeitung* shows, their exporters are pessimistic about 1981.

The world economic outlook has deteriorated but, as has been pointed out by Herr Wolf von Amerongen, chairman of the DIHT (federation of chambers of commerce), competition is also becoming keener; American competition in particular is beginning to be a

has eyes only for the monetary scene and quite recently expressed satisfaction at the firmness of the franc. But it is worrying the other members of the Government, who are concerned about the unemployment situation, particularly in highly localized industries such as textiles. Motor manufacturing, a "flagship" industry and until only a few months ago the biggest potential creator of jobs for less-favoured regions, is now giving the greatest cause for concern, hence the recourse to administrative methods of confining Japanese market penetration to 3 per cent. The real threat, however, is not so much to the domestic market as to exports.

This strategy, therefore, can succeed only if it is coordinated with other partners, the most important of these

being West Germany, in order to parry the thrust of the Japanese offensive. It was co-operation of this type that President Giscard d'Estaing was seeking at his meeting with Chancellor Helmut Schmidt on February 5 and 6. It was followed by a glowing communiqué, but no decisions.

This may be a little surprising, since the West Germans, too, are in distress. As a recent survey by the *Frankfurter Allgemeine Zeitung* shows, their exporters are pessimistic about 1981.

The world economic outlook has deteriorated but, as has been pointed out by Herr Wolf von Amerongen, chairman of the DIHT (federation of chambers of commerce), competition is also becoming keener; American competition in particular is beginning to be a

has eyes only for the monetary scene and quite recently expressed satisfaction at the firmness of the franc. But it is worrying the other members of the Government, who are concerned about the unemployment situation, particularly in highly localized industries such as textiles. Motor manufacturing, a "flagship" industry and until only a few months ago the biggest potential creator of jobs for less-favoured regions, is now giving the greatest cause for concern, hence the recourse to administrative methods of confining Japanese market penetration to 3 per cent. The real threat, however, is not so much to the domestic market as to exports.

This strategy, therefore, can succeed only if it is coordinated with other partners, the most important of these

being West Germany, in order to parry the thrust of the Japanese offensive. It was co-operation of this type that President Giscard d'Estaing was seeking at his meeting with Chancellor Helmut Schmidt on February 5 and 6. It was followed by a glowing communiqué, but no decisions.

This may be a little surprising, since the West Germans, too, are in distress. As a recent survey by the *Frankfurter Allgemeine Zeitung* shows, their exporters are pessimistic about 1981.

The world economic outlook has deteriorated but, as has been pointed out by Herr Wolf von Amerongen, chairman of the DIHT (federation of chambers of commerce), competition is also becoming keener; American competition in particular is beginning to be a

has eyes only for the monetary scene and quite recently expressed satisfaction at the firmness of the franc. But it is worrying the other members of the Government, who are concerned about the unemployment situation, particularly in highly localized industries such as textiles. Motor manufacturing, a "flagship" industry and until only a few months ago the biggest potential creator of jobs for less-favoured regions, is now giving the greatest cause for concern, hence the recourse to administrative methods of confining Japanese market penetration to 3 per cent. The real threat, however, is not so much to the domestic market as to exports.

This strategy, therefore, can succeed only if it is coordinated with other partners, the most important of these

being West Germany, in order to parry the thrust of the Japanese offensive. It was co-operation of this type that President Giscard d'Estaing was seeking at his meeting with Chancellor Helmut Schmidt on February 5 and 6. It was followed by a glowing communiqué, but no decisions.

This may be a little surprising, since the West Germans, too, are in distress. As a recent survey by the *Frankfurter Allgemeine Zeitung* shows, their exporters are pessimistic about 1981.

quality of growth

prices

unemployment

productive foreign capacity

trade

vulnerability to external factors

prices

unemployment

productive foreign capacity

trade

vulnerability to external factors

prices

unemployment

productive foreign capacity

trade

vulnerability to external factors

prices

unemployment

productive foreign capacity

trade

vulnerability to external factors

prices

unemployment

productive foreign capacity

trade

vulnerability to external factors

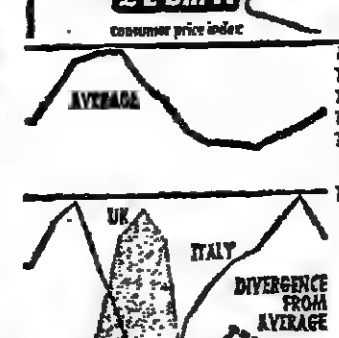
prices

unemployment

productive foreign capacity

trade

PRICES FOREIGN TRADE



Between November and December, the average inflation rate for the four European countries rose from 11.6 per cent to 12.7 per cent, the main cause for this further acceleration being the rise from 5.5 per cent to more than 8 per cent in West Germany. There were also increases in France (from 11 per cent to 12 per cent) and Italy (from 22 per cent to 23 per cent), but no change in Britain (8 per cent). These rates are based on the past three months. On the year-on-year reckoning the figures are 5.8 per cent for West Germany, 12.8 per cent for France, 13 per cent for Britain and 21 per cent for Italy.

really serious threat to West Germany's traditional markets. Moreover, the extraordinary new situation, with the Deutsche mark under threat, has shaken West Germany's belief in the virtues of a strong currency.

Although the West Germans resisted the protectionist blandishments from France at the last Franco-German summit, there are now signs of a change in thinking. The Hamburg Institute, IHWVA, has pointed to the potentially beneficial effect on exports of the weakness of the Deutsche mark and another institute, the

DIW in West Berlin, has gone so far as to propose withdrawal from the European monetary system.

Britain alone remains confident in the virtues of rediscovered liberalism in the conduct of its external as well as internal affairs. It is in an extraordinary situation, not dissimilar to conditions in the Opec countries, with a contrast between financial strength and economic weakness. Its trade balance is running at a surplus, so that one problem has been removed.

But in Britain, too, employers and unions are up in arms in protest about bankruptcies and soaring unemployment, and they are both putting forward plans for recovery.

The Budget approaches. Will Mrs Thatcher be influenced by the plan proposed by Sir Terence Beckett, director-general of the Confederation of British Industry, which calls for action to bring about the exchange of the pound from its present high level, which is severely handicapping British exporters?

The Treasury has recently acknowledged that the fall in business activity during the last quarter has been twice as bad as the authorities had expected and that much of the blame for this is attributable to the underlying trade imbalance masked by the

swelling tide of oil exports. Rather than a trade war, the British negotiate. They have a gentlemen's agreement with the Japanese under which the Japanese limit their penetration of the car market to 11 per cent while at the same time receiving favourable treatment of their establishment of plants in Britain.

The recent agreement with Nissan, with the threat represented by this new Japanese bridgehead came as a shock to partners in the European Community. As has been pointed out with great realism by the head of this firm, Mr Takashi Ishihara, it remains to be seen whether it will be possible to get the British to accept the Japanese methods and change their style of industrial relations.

The Japanese are therefore persisting with an offensive which would do credit to any military strategist. It is based on pincer movements directed at selected industries and it is mesmerizing the governments of the four European countries. However, as Herr Wolf von Amerongen has pointed out, the Americans are also moving on to the offensive. They are switching from investment abroad to exporting, bringing a slowing down in the deterioration of their trade balance, while at the same time the balance on invisibles is reaping the benefits of past investment, so that the current account balance has moved back into surplus in 1980.

If the world is to avoid a trade war which would harm the interests of all concerned

between November and December, the average inflation rate for the four European countries rose from 11.6 per cent to 12.7 per cent, the main cause for this further acceleration being the rise from 5.5 per cent to more than 8 per cent in West Germany. There were also increases in France (from 11 per cent to 12 per cent) and Italy (from 22 per cent to 23 per cent), but no change in Britain (8 per cent). These rates are based on the past three months. On the year-on-year reckoning the figures are 5.8 per cent for West Germany, 12.8 per cent for France, 13 per cent for Britain and 21 per cent for Italy.

really serious threat to West Germany's traditional markets. Moreover, the extraordinary new situation, with the Deutsche mark under threat, has shaken West Germany's belief in the virtues of a strong currency.

Although the West Germans resisted the protectionist blandishments from France at the last Franco-German summit, there are now signs of a change in thinking. The Hamburg Institute, IHWVA, has pointed to the potentially beneficial effect on exports of the weakness of the Deutsche mark and another institute, the

DIW in West Berlin, has gone so far as to propose withdrawal from the European monetary system.

Britain alone remains confident in the virtues of rediscovered liberalism in the conduct of its external as well as internal affairs. It is in an extraordinary situation, not dissimilar to conditions in the Opec countries, with a contrast between financial strength and economic weakness. Its trade balance is running at a surplus, so that one problem has been removed.

But in Britain, too, employers and unions are up in arms in protest about bankruptcies and soaring unemployment, and they are both putting forward plans for recovery.

The Budget approaches. Will Mrs Thatcher be influenced by the plan proposed by Sir Terence Beckett, director-general of the Confederation of British Industry, which calls for action to bring about the exchange of the pound from its present high level, which is severely handicapping British exporters?

The Treasury has recently acknowledged that the fall in business activity during the last quarter has been twice as bad as the authorities had expected and that much of the blame for this is attributable to the underlying trade imbalance masked by the

swelling tide of oil exports. Rather than a trade war, the British negotiate. They have a gentlemen's agreement with the Japanese under which the Japanese limit their penetration of the car market to 11 per cent while at the same time receiving favourable treatment of their establishment of plants in Britain.

The recent agreement with Nissan, with the threat represented by this new Japanese bridgehead came as a shock to partners in the European Community. As has been pointed out with great realism by the head of this firm, Mr Takashi Ishihara, it remains to be seen whether it will be possible to get the British to accept the Japanese methods and change their style of industrial relations.

The Japanese are therefore persisting with an offensive which would do credit to any military strategist. It is based on pincer movements directed at selected industries and it is mesmerizing the governments of the four European countries. However, as Herr Wolf von Amerongen has pointed out, the Americans are also moving on to the offensive. They are switching from investment abroad to exporting, bringing a slowing down in the deterioration of their trade balance, while at the same time the balance on invisibles is reaping the benefits of past investment, so that the current account balance has moved back into surplus in 1980.

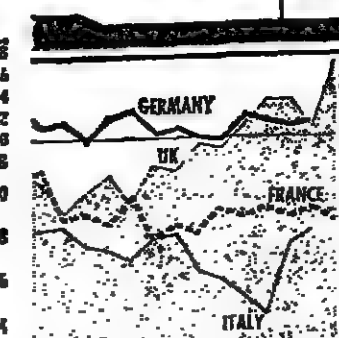
If the world is to avoid a trade war which would harm the interests of all concerned

between November and December, the average inflation rate for the four European countries rose from 11.6 per cent to 12.7 per cent, the main cause for this further acceleration being the rise from 5.5 per cent to more than 8 per cent in West Germany. There were also increases in France (from 11 per cent to 12 per cent) and Italy (from 22 per cent to 23 per cent), but no change in Britain (8 per cent). These rates are based on the past three months. On the year-on-year reckoning the figures are 5.8 per cent for West Germany, 12.8 per cent for France, 13 per cent for Britain and 21 per cent for Italy.

really serious threat to West Germany's traditional markets. Moreover, the extraordinary new situation, with the Deutsche mark under threat, has shaken West Germany's belief in the virtues of a strong currency.

Although the West Germans resisted the protectionist blandishments from France at the last Franco-German summit, there are now signs of a change in thinking. The Hamburg Institute, IHWVA, has pointed to the potentially beneficial effect on exports of the weakness of the Deutsche mark and another institute, the

INDUSTRIAL GROWTH



On a comparison of October, November and December with the previous quarter, industrial output continued to fall in West Germany (-6 per cent), Italy (-6 per cent), France (-4 per cent) and Britain (-8 per cent).

swelling tide of oil exports. Rather than a trade war, the British negotiate. They have a gentlemen's agreement with the Japanese under which the Japanese limit their penetration of the car market to 11 per cent while at the same time receiving favourable treatment of their establishment of plants in Britain.

The recent agreement with Nissan, with the threat represented by this new Japanese bridgehead came as a shock to partners in the European Community. As has been pointed out with great realism by the head of this firm, Mr Takashi Ishihara, it remains to be seen whether it will be possible to get the British to accept the Japanese methods and change their style of industrial relations.

The Japanese are therefore persisting with an offensive which would do credit to any military strategist. It is based on pincer movements directed at selected industries and it is mesmerizing the governments of the four European countries. However, as Herr Wolf von Amerongen has pointed out, the Americans are also moving on to the offensive. They are switching from investment abroad to exporting, bringing a slowing down in the deterioration of their trade balance, while at the same time the balance on invisibles is reaping the benefits of past investment, so that the current account balance has moved back into surplus in 1980.

If the world is to avoid a trade war which would harm the interests of all concerned

between November and December, the average inflation rate for the four European countries rose from 11.6 per cent to 12.7 per cent, the main cause for this further acceleration being the rise from 5.5 per cent to more than 8 per cent in West Germany. There were also increases in France (from 11 per cent to 12 per cent) and Italy (from 22 per cent to 23 per cent), but no change in Britain (8 per cent). These rates are based on the past three months. On the year-on-year reckoning the figures are 5.8 per cent for West Germany, 12.8 per cent for France, 13 per cent for Britain and 21 per cent for Italy.

really serious threat to West Germany's traditional markets. Moreover, the extraordinary new situation, with the Deutsche mark under threat, has shaken West Germany's belief in the virtues of a strong currency.

Although the West Germans resisted the protectionist blandishments from France at the last Franco-German summit, there are now signs of a change in thinking. The Hamburg Institute, IHWVA, has pointed to the potentially beneficial effect on exports of the weakness of the Deutsche mark and another institute, the

DIW in West Berlin, has gone so far as to propose withdrawal from the European monetary system.

Britain alone remains confident in the virtues of rediscovered liberalism in the conduct of its external as well as internal affairs. It is in an extraordinary situation, not dissimilar to conditions in the Opec countries, with a contrast between financial strength and economic weakness. Its trade balance is running at a surplus, so that one problem has been removed.

But in Britain, too, employers and unions are up in arms in protest about bankruptcies and soaring unemployment, and they are both putting forward plans for recovery.

The Budget approaches. Will Mrs Thatcher be influenced by the plan proposed by Sir Terence Beckett, director-general of the Confederation of British Industry, which calls for action to bring about the exchange of the pound from its present high level, which is severely handicapping British exporters?

The Treasury has recently acknowledged that the fall in business activity during the last quarter has been twice as bad as the authorities had expected and that much of the blame for this is attributable to the underlying trade imbalance masked by the

swelling tide of oil exports. Rather than a trade war, the British negotiate. They have a gentlemen's agreement with the Japanese under which the Japanese limit their penetration of the car market to 11 per cent while at the same time receiving favourable treatment of their establishment of plants in Britain.

The recent agreement with Nissan, with the threat represented by this new Japanese bridgehead came as a shock to partners in the European Community. As has been pointed out with great realism by the head of this firm, Mr Takashi Ishihara, it remains to be seen whether it will be possible to get the British to accept the Japanese methods and change their style of industrial relations.

The Japanese are therefore persisting with an offensive which would do credit to any military strategist. It is based on pincer movements directed at selected industries and it is mesmerizing the governments of the four European countries. However, as Herr Wolf von Amerongen has pointed out, the Americans are also moving on to the offensive. They are switching from investment abroad to exporting, bringing a slowing down in the deterioration of their trade balance, while at the same time the balance on invisibles is reaping the benefits of past investment, so that the current account balance has moved back into surplus in 1980.

If the world is to avoid a trade war which would harm the interests of all concerned

between November and December, the average inflation rate for the four European countries rose from 11.6 per cent to 12.7 per cent, the main cause for this further acceleration being the rise from 5.5 per cent to more than 8 per cent in West Germany. There were also increases in France (from 11 per cent to 12 per cent) and Italy (from 22 per cent to 23 per cent), but no change in Britain (8 per cent). These rates are based on the past three months. On the year-on-year reckoning the figures are 5.8 per cent for West Germany, 12.8 per cent for France, 13 per cent for Britain and 21 per cent for Italy.

really serious threat to West Germany's traditional markets. Moreover, the extraordinary new situation, with the Deutsche mark under threat, has shaken West Germany's belief in the virtues of a strong currency.

Although the West Germans resisted the protectionist blandishments from France at the last Franco-German summit, there are now signs of a change in thinking. The Hamburg Institute, IHWVA, has pointed to the potentially beneficial effect on exports of the weakness of the Deutsche mark and another institute, the

DIW in West Berlin, has gone so far as to propose withdrawal from the European monetary system.

Britain alone remains confident in the virtues of rediscovered liberalism in the conduct of its external as well as internal affairs. It is in an extraordinary situation, not dissimilar to conditions in the Opec countries, with a contrast between financial strength and economic weakness. Its trade balance is running at a surplus, so that one problem has been removed.

But in Britain, too, employers and unions are up in arms in protest about bankruptcies and soaring unemployment, and they are both putting forward plans for recovery.

The Budget approaches. Will Mrs Thatcher be influenced by the plan proposed by Sir Terence Beckett, director-general of the Confederation of British Industry, which calls for action to bring about the exchange of the pound from its present high level, which is severely handicapping British exporters?

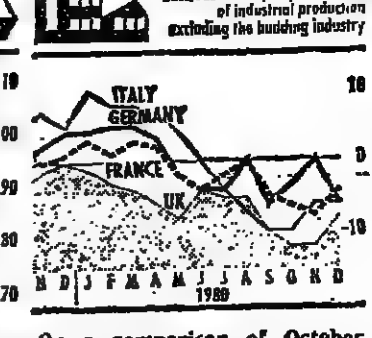
The Treasury has recently acknowledged that the fall in business activity during the last quarter has been twice as bad as the authorities had expected and that much of the blame for this is attributable to the underlying trade imbalance masked by the

swelling tide of oil exports. Rather than a trade war, the British negotiate. They have a gentlemen's agreement with the Japanese under which the Japanese limit their penetration of the car market to 11 per cent while at the same time receiving favourable treatment of their establishment of plants in Britain.

The recent agreement with Nissan, with the threat represented by this new Japanese bridgehead came as a shock to partners in the European Community. As has been pointed out with great realism by the head of this firm, Mr Takashi Ishihara, it remains to be seen whether it will be possible to get the British to accept the Japanese methods and change their style of industrial relations.

The Japanese are therefore persisting with an offensive which would do credit to any military strategist. It is based on pincer movements directed at selected industries and it is mesmerizing the governments of the four European countries. However, as Herr Wolf von Amerongen has pointed out, the Americans are also moving on to the offensive. They are switching from investment abroad to exporting, bringing a slowing down in the deterioration of their trade balance, while at the same time the balance on invisibles is reaping the benefits of past investment, so that the current account balance has moved back into surplus in 1980.

UNEMPLOYMENT



On a comparison of October, November and December with the previous quarter, industrial output continued to fall in West Germany (-6 per cent), Italy (-6 per cent), France (-4 per cent) and Britain (-8 per cent



NO SAFETY IN INSTABILITY

Today's defence debate will not be only about Trident and Polaris. It will give the Commons an opportunity to grapple with the whole range of arguments which now envelop the subject of Britain's defences. The arguments are not new but they have recently become more earnest and politically divisive than for many years. The split in the Labour Party is one symptom of stress. The reemergence of the Campaign for Nuclear Disarmament is another. The Government is right to feel that the subject must be confronted publicly and head on. To dismiss the questioning of established policy as the work of a small political minority is to misjudge the public mood. Many people who do not support the unilateralists are sufficiently worried to want open debate. The choice of Britain's next generation of nuclear missiles is not strictly part of this debate because it is largely a technical and financial issue, but it has brought the broader issues into the open.

Negotiating limits on arms race

The conventional wisdom with which we have lived since the start of the nuclear age is that nuclear weapons—if they can be kept in the hands of reasonably civilized governments—tend to lessen rather than increase the danger of war because they raise the costs to unacceptable heights. Confidence in this assumption is now diminishing for two main reasons. First, these civilized governments have been unable to negotiate effective limits on the arms race. They continue to pour huge sums of money into increasing their arsenals, each claiming to be catching up with the other. This not only wastes money which could be better spent but increases the danger of war by perpetuating instability and aggravating mutual fear and distrust. Moreover, their political relations are worsening. Secondly, the latest nuclear weapons are so accurate that it begins to become possible to think of knocking out most of an opponent's weapons at one blow, leaving him with the choice between surrendering or suffering total destruction of his cities. In theory the Soviet Union will have this capacity over the next few years and the West will have it in the second half of the decade if present programmes continue. On paper it seems to make nuclear war thinkable again, thereby weakening the argument that the balance of terror is the best guarantee of peace. Certainly Soviet experts write with chilling calmness about fighting and winning a nuclear war. Anxiety for therefore widespread and justified but it produces different responses. On the fringes of the unilateralist movement there are a few true believers in Soviet communism. With them the argument is not about nuclear weapons but the nature of the Soviet system. Similarly there are some consistent pacifists with whom the argument is not about nuclear weapons but about the use of force. The broad warm heart of

the movement is more difficult to get to grips with because it brings together several overlapping schools of thought. Some want Britain to rely on the protection of the Americans. Some believe conventional weapons could provide sufficient deterrence. Some believe Britain should opt out of the alliance altogether.

Many, however, are driven by a simple conviction that anything is better than the horror of nuclear war. In other words, better red than dead, if those are the alternatives. This can be an honest position if the implications are squarely faced. Traditionally it has been regarded as right to prefer death to dishonour, but the choice may no longer be personal or even national. Is one justified in trying to save one's own honour, when doing so might destroy millions? This is a moral dilemma on which honourable people may differ.

But too many unilateralists are not honest with themselves. They seem to believe that Britain could withdraw from the nuclear defence of the alliance without any significant risk—or indeed that it would be safer outside. Some explain this by saying that the Soviet Union is not in fact expansionist, that its military posture is largely a reaction to a perceived threat from the West, and that if the West disarmed it would not seek advantage, or might even disarm too.

Russian tradition of expansion

This is a weak argument. Russia has a long tradition of expansion and the Soviet Union has continued it by extending its influence wherever possible. Of course it can be argued that expansion has been undertaken only in the search for greater security, but one would need enormous confidence in this argument to stake the entire survival of western democracy on it. No responsible government could do so. And even if, for the sake of argument, one were to grant that Soviet intentions may now be pacific, is there any guarantee that they would remain so if the Soviet Union found itself enjoying unchallengeable military superiority in Europe? Power can corrupt governments as well as individuals.

Some members of CND reply that if a popular movement against nuclear arms were successful in Britain it would spread to western Europe and then to eastern Europe and perhaps even into the Soviet Union. This is a very distant possibility on which no government policy could be based. Admittedly if western Europe were to disarm it would give the Russians interesting problems in eastern Europe, but the Russians solve many of their problems by brute force and would be more likely to do so in this case without NATO opposite. Unilateralist policies would thus launch Britain into a totally unpredictable future. To remain in the alliance without contributing effectively to it would be

impossible, so Britain would at some point find itself outside. This might seem comfortable for a while because the Russians would presumably point their rockets elsewhere. But Britain is an important member of the alliance and her withdrawal would have wider effects. There are several directions in which things might go, all of them undesirable. For instance, with the European balance upset, the Americans would depend almost wholly on West Germany, which might feel obliged to increase its defence effort, thereby slowly unstitching the entire European security system. British withdrawal would then have increased, not decreased, the danger of war.

Danger of American withdrawal

Alternatively, with the European alliance falling apart the Americans might withdraw to the other side of the Atlantic. This could add to the dangers of a Soviet-American confrontation elsewhere. It would also leave western Europe with no effective defence against the Soviet Union. Probably the Soviet Union would not march in but it could slowly increase its political influence to a point where political, cultural and economic freedoms would be destroyed.

Perhaps this would be preferable to nuclear war but there is no guarantee that this process would avert war. The present European security system, imperfect though it is, has prevented war for a comparatively long time by the standards of European history. It will certainly have to be modified over the years to reduce tension and bring eastern and western Europe closer together, but to destroy it unilaterally through British withdrawal would plunge it into highly dangerous instability. The more insular escapists among the unilateralists do not face up to this, or to the effects which would come back on Britain.

They claim to be driven by moral concern but there is a streak of highly immoral irresponsibility in their desire to escape the risks which go with a sense of common duty towards the fate of Europe. Governments, however, must take seriously the anxiety which feeds these tendencies or it will cause them still greater problems. It is to a large extent the result of the joint failure of East and West to reduce their differences and bring the arms race under control. The Russians must bear a lot of the blame because they continued to build up their arms while the Americans were cutting down in the 1970s, but the failure of the United States to ratify SALT II did a lot to undermine European confidence. If western governments are to avoid the further growth of unilateralism they must be seen to be trying harder to make the present balance more stable and effective. But they can base themselves on the argument that instability increases the risk of war, and unilateralism increases the risk of instability.

WHAT ARE THE NEW PARTY'S RIGHTS?

Now that twelve former Labour Members of Parliament have decided to sit in the House of Commons as Social Democrats a number of delicate questions will have to be decided. They have still to establish themselves as a separate party in the country; that move will be taken within the next few weeks. But from now on they have every right to be considered as a separate party in Parliament. That judgment will be challenged by those who maintain that the Social Democrats can have no parliamentary legitimacy until they have been elected with that label. Each of them was returned to the House of Commons in May 1979 as a Labour MP, and it may be argued, they cannot claim that they would enjoy the same support as Social Democrats until that has been put to the test at the polls.

Yet there are reasons of both precedent and principle why the Social Democratic dozen should not be required to resign their seats and stand again in the ensuing by-elections. It has never been the practice that a member who crosses the floor of the House is expected to submit himself immediately for reelection. It is true that Mr. Tavener did so at Lincoln in 1973, but that was the exception not the rule.

There is no good reason why a member should be required to do so because this would imply that he is elected simply as the nominee of his party. It may be more difficult these days to

sustain the constitutional principle that an MP is the representative of his constituents, with the freedom and the responsibility to exercise his judgment on their behalf, but it needs to be sustained at every opportunity.

It follows that if a group of them decide to exercise their judgment so as to form a new party they have every right to do so. They should be recognized in the same way as any other party for the proceedings in the House, for service on select committees and so forth. It would also follow logically that twelve Social Democrats should take precedence over eleven Liberals as the third largest party in the House. But if the Social Democrats hope to have the electoral alliance with the Liberals by which they set such store they would be wise not to press their case in that respect. The Liberals would be justifiably upset if they were ousted from their position by a new group with only one more member, none of whom had stood for election in the colours in which they were now fighting.

There are then a series of questions, of a quasi constitutional nature, as to how the Social Democrats should be treated for broadcasting purposes. So far as news bulletins and the ordinary run of current affairs programmes are concerned, the broadcasting authorities should be guided solely by news values—which probably means that the Social Democrats would receive more exposure than their numbers in Parliament would suggest.

Party political broadcasts between now and the next election are a different matter. They are allotted on the basis of votes cast at the last election. These are the existing rules, and these formal broadcasts are not of such consequence that a concern for political equity should require them to be changed. The Social Democrats will not suffer too harsh a handicap if they do not have a party political broadcast in the meantime.

During the next election campaign they will have the right to one television election broadcast and one radio broadcast, each of five minutes, provided that they put at least fifty candidates in the field. Soundings have been taken by the broadcasting authorities and there is at the moment no disposition to change these rules. It is understandable that there is no rush to do so before a new party has even been formed in the country. But it would be quite wrong to stick inflexibly to the old regulations in new and fluid circumstances quite different from those for which they had been devised. The Social Democrats did not win any votes at the last election because they did not exist. But they will be represented at the next election by a number of members in the present Parliament and the opinion polls suggest that they will have a good deal of public support. A sense of fairness and realism requires that they should not be treated like a tiny fringe party of no consequence.

Office Research Unit must be false economy. The publications of the unit are to be found on the bookshelves of every probation officer. They are a valuable asset to those of us engaged in the field of crime and delinquency. Yours faithfully, MARTIN MURPHY, 53 Holloway Road, N7.

Crime prevention research

From Mr M. B. Murphy
Sir, Mr. Louis Blom-Cooper, as a distinguished authority and a member of an enlightened pressure group, wrote to you today (February 27) to express concern about the threat to the Home Office Research Unit. As a probation officer, I share his disquiet.

When resources are limited, surely it becomes even more necessary to see that they are expended most appropriately, through the monitoring of existing practice and the evaluation of new methods. Progress in the treatment of offenders need not cost more, and indeed is likely to save money, if only on the high cost of imprisonment, but it does demand skilled analysis—research is essential to advancement. Any reduction in the resources of the Home

Office Research Unit must be false economy. The publications of the unit are to be found on the bookshelves of every probation officer. They are a valuable asset to those of us engaged in the field of crime and delinquency. Yours faithfully, MARTIN MURPHY, 53 Holloway Road, N7.

Helping the people of El Salvador

From Mr C. Martin Bax

Sir, Recent correspondence under this heading has not addressed itself to actually helping El Salvador's people but only to arguing about how the present appalling situation has arisen.

Continuous advice and information from our partners there has convinced Christian Aid not only that humanitarian aid is very urgently needed, but that United States policies supporting the junta in El Salvador are likely to escalate the violence and increase the suffering of the people.

Christian Aid has therefore made an appeal to its supporters in the British churches, and funds are being rapidly transferred to the Ecumenical Committee in El Salvador. Reliable channels for the application of this aid have been established. Through the British Council of Churches we have strongly requested British Government support for the proposed EEC humanitarian aid to be spent through the International Committee of the Red Cross.

The British Council of Churches has also urged the British Government to consider its policy of not supplying military or economic aid to the El Salvador junta, and to support efforts towards a negotiated peace such as the West German initiative. Of course the Soviet and Cuban Governments' activities are significant but they will only succeed if the violence escalates.

Your readers may wish to support all of these initiatives actually to help the people of El Salvador.

Yours faithfully, C. MARTIN BAX, Associate Director, Christian Aid, Box SW9, February 27.

From Mr Hallam Murray

Sir, I cannot share Mrs Thatcher's view that it is for the people of El Salvador to solve their own problems (Leader, February 28). This predominantly agricultural country—barely the size of Wales with a population of four million—has a landless peasantry, a powerful group of landowners, known as the "Fourteen Families". The "right-wing" military junta which they support is of a particularly oppressive and unpleasant kind and is unlikely to moderate its policies without strong international pressure.

Last year, a friend and I bicycled through El Salvador on our way from Los Angeles to Lima, Peru. We met and stayed with many poor farming families. We often discussed the sad plight of their country, which is outstandingly beautiful and rich in agricultural land as any country in Latin America. Without exception, the men and women whom we met were sickened by the crossfire of violence between left and right and looked for the day when they and their families might live in relative safety.

The El Salvador Human Rights Commission announced recently that 0.3 per cent of the population was killed during 1980, the vast majority by the regime's soldiers, paramilitary forces and death squads. Only recently has press begun to take due notice of this appalling situation. Without the strongest international pressure for land reform and for human rights, combined with a substantial package of international aid, it is difficult to see how the position can improve for these largely law-abiding and hard-working people.

Yours faithfully, HALLAM MURRAY, 97 Shuteborough Road, SW11.

Private members' Bills

From Mr Barry Sheerman, MP for Huddersfield, East (Labour and Co-operative)

Sir, Further to Mr Angus Nicol's (letter, February 28) doubts as to the purpose of the Bill, may I support him in so far as Parliament's role in private members' legislation is concerned?

Some of the long and irrelevant speeches he refers to may well have been intended to obstruct not to promote the Social Security Bill, but my own Safety of Children in Cars Bill, which was due to immediately follow for its second reading.

The tactics which can be employed to sink almost any Bill increasingly make a mockery of its presence at a truly independent private member's contribution to the law-making process. Changes in the treatment of private members' initiatives are, in my view, urgently needed if it is to retain any credibility at all. I believe that the role of private members' legislation should be increased and that odds against private members' Bills getting on the statute book should be reduced.

Many important reforms have been enacted through the medium of private members' legislation and I feel that this should be increased. Yours faithfully, BARRY SHEERMAN, House of Commons, February 27.

The Blue Division

From Mr John Crookshank

Sir, Your leader (February 25) about the recent, abortive coup in Spain summed up the situation clearly and concisely—and epitomised both for Spain and for her European neighbours, but not everyone would describe the Spanish Blue Division as "infamous".

The Spanish troops were deployed amidst the bleak Finnish forests and lakes at the northern end of the German front in a somewhat battlefield. They lacked mobility, were low down the priority list for modern equipment and must have wondered what they were fighting for but, as Spanish troops always do, they fought with bravery and determination in an unusually nasty part of a nasty war.

Yours sincerely, JOHN CROOKSHANK, Cavalry and Guards Club, 127 Piccadilly, W1.

A switch in Civil Service loyalties?

From Mr C. W. Thom

Sir, It is reported (The Times, February 25) that the First Division Association, representing the administrative grades—from Principal to Permanent Secretary—in the Civil Service, has resolved to back the campaign by the Civil Service unions over pay.

The Civil Service has not always been treated generously or fairly in matters of pay and conditions of service, but until recently civil servants have accepted that where this is a conflict between the national interest and the government of the day sees it and their own interests, the former must prevail.

As everybody knows, this is no longer the case. However, until quite recently the First Division Association was notably less willing than the unions representing the lower Civil Service grades to drift with the prevailing tide. A disturbing change became apparent when the association decided a few years ago, by a majority vote, to join the T.C. To join a body associated in the public mind with a particular method of pursuing industrial disputes and, equally important, with a marked political bias, showed bad judgment.

The decision yesterday, February 25, appears to mean that a substantial proportion of the members of the higher Civil Service are prepared to participate in action designed to hold the community to ransom in pursuance of their selfish interests. I express no view on the rights and wrongs of the dispute between the Civil Service and the Government. This is not the point. The point is that a large number of people occupying positions of influence at the centre of the governmental machine now subscribe to the doctrine that their first loyalty is to themselves and not to the Government which they are employed to serve. Many members of the public no doubt feel that they are right, but I suspect that a larger number take a different view.

I am sorry that I feel moved to write in this strain about former colleagues, but it seems to me that it would be healthy if there were to be some public debate on the changed ethos of a Service once renowned for its good sense and high standards. Yours faithfully, C. W. THOM, The Oast House, Upper Green Road, Shipbourne, Tonbridge, Kent, February 26.

From Mr A. J. Roberts

Sir, There was a time when the Civil Service could expect fair treatment from both your influential columns and from the Government; sadly it seems that neither is possible now.

You suggested on February 27 that the pay research unit would give a rise far above the prevailing rate. However, you choose to overlook the

fact that this can only be possible if the current rates of Civil Service pay are, and have been for some time, far below the rate in comparable occupations. Now the Government has not only refused to honour the long established pay research system but has even suppressed the latest findings. This is surely a most lamentable example for a British government to set in the field of industrial relations.

Sir, all the civil servant is seeking is fair treatment but both you and the Government appear to resent and reject even this. Yours sincerely, ANTHONY J. ROBERTS, 179 Osborne Road, Brighton, February 28.

From Mr Theo Hetherington

Sir, As an ex-civil servant and former member of the First Division Association, I write to say how shocked and disgusted I was to read in your issue today (February 26) that the FDA have actually given their approval to "strike" action by the other Civil Service unions.

Does it really have to be pointed out that the duty of civil servants is, above all, to serve—to serve with unflinching loyalty and integrity the government of the day, whatever its political complexion? In the past the British Civil Service has been proud of its tradition of doing exactly that. The only distinction, in this regard, between the armed forces of the Crown and its civil servants is, or should be, that the former wear uniform and the latter do not. They all have the duty and privilege to serve.

In return for their loyal service, civil servants are rewarded—if a reward for serving one's country has to be computed—by greater security of employment and more generous conditions of retirement than are enjoyed by most others outside this corps d'élite. But even if they were not, for a government servant even to consider withholding his service should be unthinkable: it is a contradiction in terms. Yet now we are told that the FDA, those who should have the deepest sense of responsibility and the sharpest awareness of the duties of a civil servant, are actually condoning what is curiously misnamed in your report as "industrial action" (as if a TUC strike were an industry), but what in the fighting services would be called mutiny.

If any such infamous "strike" does take place I hope that the Government will immediately invite all retired civil servants to withdraw their services free, in any capacity, during the period of the stoppage. There must be many like myself who would want to do something to atone, in however small a degree, for such an appalling disgrace.

Yours faithfully, THEO HETHERINGTON, Barker's Hill, Shaftesbury, Dorset, February 26.

Heritage in danger

From Professor J. D. Evans

Sir, The recent decision by the Government to withdraw from the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM) (letters February 17 and 26) is a signal and shocking example of the follies which can result from the implementation of a broad policy decision without due consideration of the consequences in detail. Despite its sesquipedalian appellation, ICCROM is a small but highly effective international organization which has done splendid work both directly and indirectly in promoting the conservation of the material cultural heritage (buildings, paintings, museum collections, etc) all over the world, and in the training of conservators and museumologists from many countries in the latest techniques.

The Government has no criticism of ICCROM's work and the amount contributed by Britain annually (\$65,000) is minute. The consequences of withdrawing from the organization will be far reaching. Britain will suffer most, first in loss of grants to British candidates for ICCROM courses, secondly and more importantly in the inevitable loss of prestige and influence in a field where we have been regarded

as leaders. ICCROM itself could also suffer further financial losses through the bad example set by our Government.

The benefits which we have enjoyed as members of ICCROM far outweigh the cost of membership even in financial terms. As Mr Feiden and Dr Taylor have shown, from my own experience as Director of the London University Institute of Archaeology I can add another example which they did not mention. For four years in the early seventies ICCROM provided generous financial support for a post in our Conservation Department to help the development of training in the subject.

The Government's action is as foolish in practice as it is disgraceful in principle. Some consultation beforehand might have prevented the perpetration of this absurdity in the name of a consistent policy. The Director of ICCROM will certainly have the full co-operation and backing of the Council for British Archaeology in his fight to raise Britain's subscription privately, but may one not hope that, in the light of the facts, the Government will now put good sense before consistency and revoke its decision?

Yours faithfully, J. D. EVANS, President, Council for British Archaeology, 112 Kennington Road, SE11, February 27.

Fight on the beaches

From Vice-Admiral Sir Hugh Mackenzie

Sir, The letter (February 20) from Mr P. M. Barlow under the above heading is exceedingly welcome, not only because its publication is some recognition of the very real threat to migratory salmonids which will inevitably develop should a fishing up to the beaches policy be adopted by the EEC, but also because it outlines so clearly this threat and the problem associated with sensible conservation of salmon and sea-trout when in the marine environment.

The Atlantic Salmon Trust has long maintained the crying need for resolute action to protect such a vulnerable but valuable resource and this has been well represented to appropriate authorities in the United Kingdom and the EEC. But the problem is not solved by establishing a 12-mile limit, or a limit at any other distance used to define national fishery limits.

Within such limits around the United Kingdom it is the Trust's view that all drifting fishing for salmon and catching of migratory salmonids by gill nets of any description should be banned, existing fisheries being phased out gradually. Beyond national fishery limits there should be a complete ban on all forms of fishing for salmonids, in conformity with the appropriate article now and at last about to emerge from the United Nations International Law of the Sea Conference. In the initial drafting of which article the Trust played a substantial part.

Yours faithfully, HUGH MACKENZIE, Chairman, The Atlantic Salmon Trust Ltd, 14 Downing Street, Farnham, Surrey, February 23.

Swoop on the provinces

From Lady Elton

Sir, The sound of battle in Fleet Street is heard only too clearly in Bristol, where the Bristol Evening Post and the Western Daily Press are under threat of total control by the Associated Newspapers Group.

The concern for a healthy provincial press was put forward by The Royal Commission on the Press in 1949. The high mortality rate of independent provincial newspapers, and the consequent impoverishment of regional life, alarmed Sir Linton Andrews, Mr E. W. Martin, and Professor Raymond Williams, Professor Williams further considered the inestimable value of the local weeklies, and the means to secure it.

Since then, the Plymouth, Cheltenham, Gloucester, Torquay, and Exeter dailies, as well as 12 local weeklies including, ludicrously enough, the Cornish Guardian, have fallen to the Associated Newspapers Group. One wonders what credentials a vast metropolitan newspaper chain might claim as guardians of the rich diverse interests of West Country communities.

Daniel Defoe observed in the Bristol of the 1720s "a more entire independence upon London than any other town in Britain". Farley's Bristol Newspaper, "printed at my house near Newgate, in Wine Street" was part of that independence. Not far from Wine Street, the Bristol Evening Post has in our time served the interests of the Bristol region for half a century.

Yours faithfully, MARGARET ANN ELTON, Clevedon Court, Somerset, March 1.

West Indies tour questions

From Dr J. W. Butt

Sir, I hope those who complain about the Guyanese attempt to ban a British cricketer were not supporters of Mrs Thatcher's attempts to wreck the Olympics.

Of course, it may be that those who are guilty of this inconsistency think that the Soviet invasion of Afghanistan is more hateful than apartheid. I wish they would come out in the open and say so.

Yours faithfully, J. W. BUTT, Department of Spanish, King's College London, Strand, WC2, February 27.

From Mr O. E. Palmer

Sir, I am sure you are right (leading article, February 27)—it is for the selectors to select.

I am equally sure it is for the selectors to respect the feelings of the hosts (feelings shared in this country) if they claim a right to select their guests.

Yours faithfully, O. E. PALMER, 11 Causeway, Horsham, West Sussex, February 27.

From Mr P. J. Spooner

Sir, It is said that Robin Jackman, who has made such a stoical contribution to the English county scene for many years, should be used as a political pawn, especially at a time when he is on the brink of representing his country overseas.

It is perhaps a point for reflection that a number of the current West Indian team play consistently against South Africa outside the boundaries of the Republic itself.

Yours faithfully, P. J. SPOONER, 131 Boundary Road, Wallington, Surrey, February 27.

EEC quantum theory

From Lord Walston

Sir, Your issues of February 20 and 23 remind us that the annual battle over farm prices is now starting in Brussels. You rightly point to the difficulties raised by over production, which to many indicates that prices are too high; and the fall in farm incomes, in spite of good harvests, which supports farming arguments for higher prices.

At last the Commission is moving towards policies which can square this circle: the idea of a co-responsibility levy is gaining ground. This should be elaborated and vigorously pursued. May I suggest how it could work for wheat?

The Commission should fix a quantum (quota is still a dirty word) for the whole Community and guarantee a price for this amount which reflects the rise in costs of inputs and gives a fair return to the farmer. The surplus over and above this quantum will not rank for intervention, but if sold into intervention, will be paid for at world prices. The final figure paid out to farmers will reflect the amount of the surplus and the price received for it. The quantum will, in the first instance, be at the level of production of the 1980 harvest. It will be reduced annually by 24 per cent until the world price of wheat rises to within, say, 10 per cent of the guaranteed price, or until it reaches a predetermined level. In this way the political pressures inherent in our present method of fixing prices and quantities will be minimized.

The tax payer's contribution will be kept within agreed limits; while farmers, if the harvest is bad and no surplus is produced, will receive a higher price, but if the harvest is good prices will fall.

I hope that Mr Walker will be able to persuade his fellow ministers to accept in principle a solution on these lines. Yours truly, LORD WALSTON, A14 Albany, Piccadilly, W1, February 24.

Care of ancient buildings

From Captain C. B. Featherstone-Dilke

Sir, Lord Mersey (February 19) is absolutely right. In former times, judging by nineteenth century photographs of this ancient place, Ivy was considered an asset—the house sparrows loved it as a nesting place!

I have recently had a bit here. Not only had the ivy clamped itself onto the mortar of the 14th century walls, but several stones of the main curtain walls had been lifted some three inches by the roots of this insidious weed. They weigh over one hundredweight each.

Yours faithfully, C. B. FEATHERSTONE-DILKE, Maxstoke Castle, Colchester, Warwickshire, February 26.

From Mr A. Drew-Edwards

Sir, The letter from Mr Trevor Jukes (February 26) questioning whether ivy damages buildings is interesting. From my experience in the repair and conservation of historic buildings, I have found that ivy on the outside of a wall does not cause damage either to the mortar or to the walling material, but it is a different matter when the roots and stems grow within the thickness of the walling.

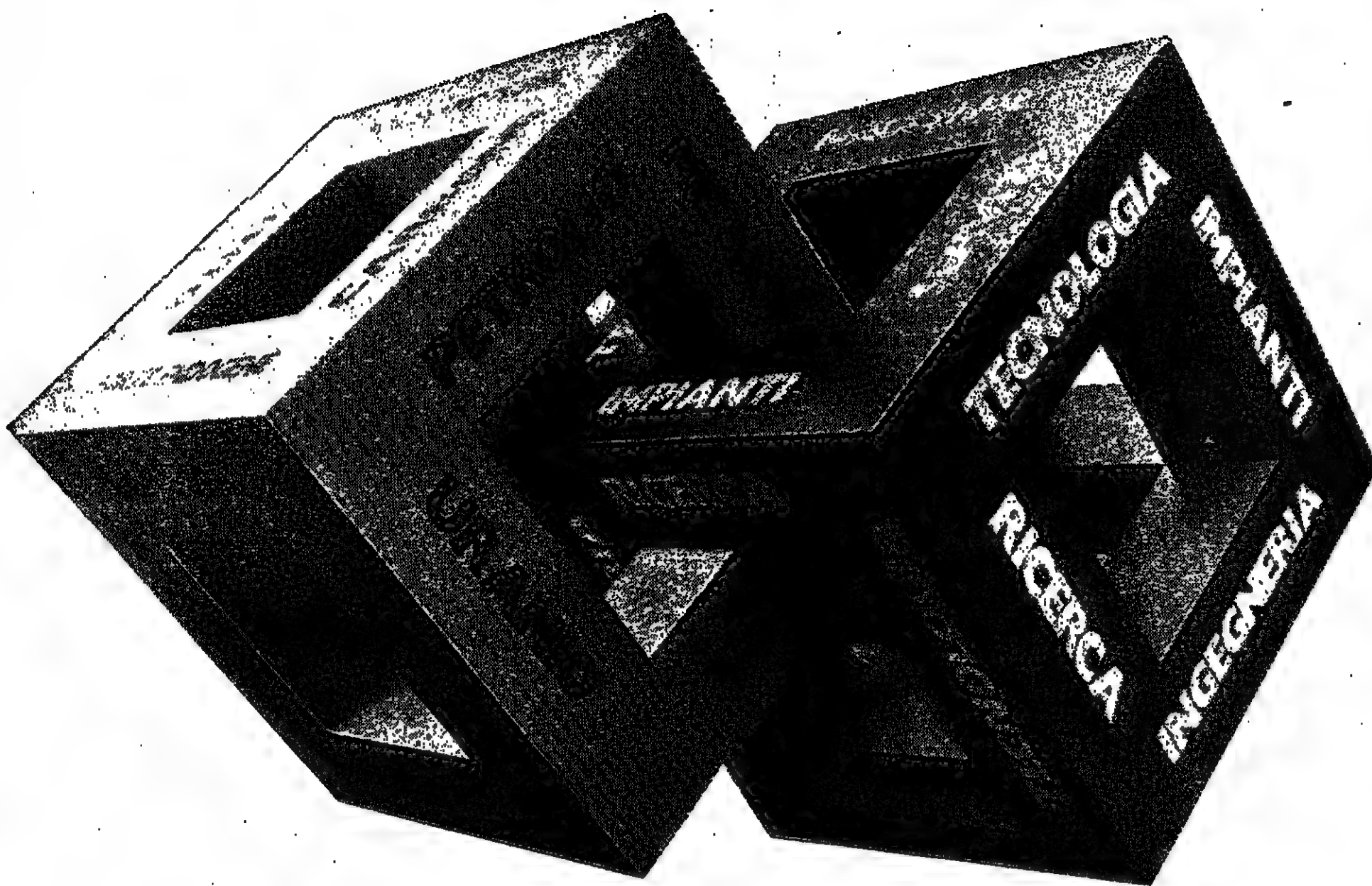
In this situation, the increasing size of the stems as years pass can cause considerable damage. In medieval stone walling especially, which is usually constructed of inner and outer faces with an internal filling of rubble, the expansion of the stems will, over the years, distort the masonry and can eventually push the faces apart thus making rebuilding necessary.

My answer to Mr Jukes will be that ivy is unlikely to cause damage unless the roots or stems enter the masonry when damage is almost certain.

Yours faithfully, A. DREW-EDWARDS, Drew-Edwards Keene, 34 Princes Road West, Leicester, February 27.



Eni



THE IMPORTANCE OF A COMMITMENT

During 1980 the ENI Group consolidated still further its position among the world's major industrial groups.

On preliminary estimates, turnover during the year amounted to \$US30,000 million.

This result represents the involvement and work of more than one hundred and twenty thousand people and of a production organisation which operates in numerous fields: petroleum, natural gas, engineering, chemicals, mechanical engineering and textiles.

The ENI Group thus represents an important point of reference in the industrial plan, in key sectors of economic development.

The ENI Group is moreover actively involved in the wider area of international co-operation and in the direct dialogue between producer countries and consumer countries, directed towards a policy of interchange for the rational use of resources and technology.

This is the ENI Group in the '80's: a great design of technology and work, an Italian commitment to the world, a positive contribution to international co-operation.



Agip
Prospection, production and supply of liquid and gaseous hydrocarbons, of minerals in general. Refining and distribution of petroleum products.



Snam
Supply, transport, distribution and sale of natural gas. Transport of oil and petroleum products.



AgipNucleare
Prospection and production of uranium ores, nuclear fuel cycle operations, renewable energy sources, energy conservation.



Samim
Exploration, production and marketing of non-ferrous metals.



Anic
Base chemicals and derivatives. Secondary and fine chemicals. Pharmaceuticals.



Snamprogetti
Design and engineering of oil and gas pipelines on land and offshore, petroleum and petrochemical plants, other industrial plants.



Saipem
Drilling and pipelaying on land and offshore, construction of industrial plants.



NuovoPignone
Manufacturing and supplying machinery, equipment, and measuring and control instruments for the petroleum, petrochemical and nuclear industries, looms for the textile industry.



Savio
Production and supply of machinery for the textile industry.



Lanerossi
Textile and garment manufacturing industry.



Sofid
Financing industrial and commercial activities of the ENI group.

THE TIMES BUSINESS NEWS

LAING
make ideas take shape

Stock markets
FT Ind 501.4 down 5.2
FT Gilt 68.97 down 0.15

Sterling
£2.1805 down 245 pts
£2.1805 down 0.2

Dollar
Index 101.4 up 0.8
DM 2.1495 up 190 pts

Gold
\$465.8 down \$21.7

Money
3 mth sterling 13-12
3 mth Euro \$ 17-16
6 mth Euro \$ 17-17

Pound down by 2.45 cents to 10-month low against dollar

By Frances Williams

Far Eastern selling precipitated a further slide in sterling yesterday, prompted by continuing speculation of a substantial cut in minimum lending rate in next week's Budget and pessimism over Britain's economic prospects.

The time London trading opened the pound had fallen to \$2.1855, down 4 cents from Friday's close. But it recovered some ground during the day, finishing down 2.45 cents at a 10-month low of \$2.1805.

The pound's fall arose in part from a stronger dollar, which was boosted by firmer Eurodollar interest rates.

The dollar closed up 190 pence against the Deutsche Mark while its effective exchange rate index measured against a basket of currencies rose 0.8 to 101.4.

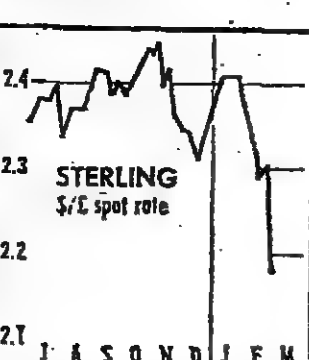
Gold plunged nearly \$25 to end the day at \$465.8, its lowest since December 1979, in response to the stronger dollar and higher American interest rates.

London foreign exchange dealers took the view that sterling had been oversold abroad on speculation that the minimum lending rate would be cut by 3 per cent more in the Budget. They believe a 2 per cent cut is more likely, given the Government's continuing commitment to a tight monetary policy and its high borrowing requirements in the second quarter of 1981.

In Eurocurrency markets, three month sterling was trading at just under 13 per cent, below the rates for the Deutsche Mark and French franc as well for the dollar. Nevertheless, the pound was generally steady against continental currencies.

Eurodollar rates rose on the expectation that United States interest rates will remain high in future months, encouraged by worse-than-expected American money supply figures published on Friday.

In German money markets, with trading this because of pre-Lent holidays, interest rates on call money soared to 26 per cent in the first 30 minutes of the first



STERLING
\$/£ spot rate
J A S O N D J F M

minutes of trading. But they eased back to around 20 per cent after the German Federal Bank announced that it would provide the banking system with several thousands of millions of marks in extra liquidity through currency swaps.

The Deutsch mark has been doing well against other currencies in the European Monetary System since the German Federal Bank acted over a week ago to tighten credit and drive up short-term interest rates. But it remains weak against the dollar, which has led to speculation that the Federal Bank may be forced to introduce a more general support package for the mark, perhaps coordinated with a similar package for the Swiss franc.

In domestic money markets, the monthly payment of petroleum revenue tax was largely responsible for an estimated shortage of more than £1,000m in the discount market.

The Bank of England relieved the shortage through exceptionally large purchases of paper and lending at MLR for periods of seven and eight days.

Although the temporary reduction, from 10 to 8 per cent, in the banks' minimum reserve ratios took some of the pressure off the system, overnight money was still very tight, closing at around 25 per cent after briefly touching 50 per cent. With the shortage not expected to unwind before next week, the one week rate traded above 17 per cent.

Financial Editor, page 17

Government names committee to monitor performance of BSC Laird Group chief heads steel panel

By Peter Hill
Industrial Editor

The Government yesterday announced the formation of the committee which will monitor the performance of Mr Ian MacGregor, the chairman of the British Steel Corporation, and will determine how much of the controversial "transfer deal" fee his former employers will receive.

Mr John Gardiner, chief executive of the Laird Group, will be the independent chairman of the committee which will meet to monitor the progress of BSC towards meeting performance objectives.

The success, or otherwise, in meeting those targets will determine how much of the £1,150,000 will be paid to Laird Freres, the American investment bankers Mr MacGregor left to join BSC.

Under the terms of the deal, the Government paid an initial sum of £675,000 for Mr MacGregor's three-year term, with provision for pro rata refunds if he failed to complete the full term.

Two prominent businessmen have been nominated by Mr MacGregor as members of the committee. They are Viscount Weir, chairman and chief executive of the Weir Group and formerly a non executive director of the BSC, and Mr Albert Frost, a director of British Airways and S. G. Warburg.



Mr John Gardiner, chief executive of the Laird Group, will be the independent chairman of the committee.

Sir Keith Joseph has appointed as his nominees to the committee, Mr John Steele, a deputy secretary at the Department of Industry, who among other responsibilities supervises policy towards the steel industry, and Mr Kenneth Sharp, head of the Government's accountancy services.

The committee members were announced in a Commons written reply by Mr Michael Marshall, junior industry minister and came after last week's announcement that the Government is to provide BSC with a further £380m over the next 15 months and write off of £3,509m of debt.

Mr Gardiner was a former executive with the now defunct Industrial Reorganisation Corporation and is also a non executive director of British Shipbuilders.

Yesterday Sir Keith and Mr Marshall met a delegation of steel industry union leaders led by Mr William Sims, general secretary of the Iron and Steel Trades Confederation accompanied by members of the private sector trade union action committee. Mr Sims emphasised the difficulties being faced by the private sector companies as a result of the recession.

Among the delegation were representatives from the Llanelli plant of Dupont which is due to be closed under an agreement reached with BSC. Dupont steel processing activities will be temporarily taken over by the BSC before forming a part of a new jointly-owned company in the engineering steel sector.

Mr Donald Evans, one of the representatives from the Llanelli plant gave a warning that when the plant's order book is exhausted in a few weeks time they would seek to prevent the removal of any equipment.

Today representatives from the Llanelli works will press their case during a visit to the EEC Commission in Brussels where a Council of Ministers meeting will be discussing measures to halt the crisis in the steel industry.

Talks fail on sale of Southern TV studios

By Kenneth Gosling

TV South, the new independent television franchise holder for the South and South-east, said yesterday that it was confident it would be ready to go on the air by next January—even though it will have to build its own studios in Southampton.

Negotiations between itself and the outgoing company, Southern, to take over existing studios broke down after talks lasting two months between the merchant bankers for the companies—Warburgs for Southern, Henry Ansbacher for TV South.

Southern said TV South's offer was "unrealistic and unacceptable". TV South said it was "fair" and reasonable.

Neither would comment on the figures, but one TV South source said the gap between the two was "unbridgeable".

According to Southern's last annual report, the value of the freehold of the studios at Northam was £4.8m and the total book value of the company's assets was £6.8m.

TV South said in its original application that it would attempt to reach agreement with Southern for the acquisition of its principal assets by the end of February.

In spite of the breakdown, Southern said in a statement that it would continue discussions on all operational matters which needed to be resolved, particularly those affecting the company's 500 staff. These had to be resolved before the end of Southern's contract with the Independent Broadcasting Authority.

Southern Television had no comment yesterday on the future of its Northam studios. TV South is understood to have its eye on a site in central Southampton.

Lord Boston of Faversham, chairman of the IBA, issued a statement regretting the breakdown of negotiations with Southern and confirmed assurances already given to that company's staff that their future would be secure.

Fox board to decide on takeover bid

From Ivor Davis
Los Angeles, March 2

The 20th Century Fox film company board will meet again on March 27 to make a final consideration of the \$500m (£363m) offer to buy the studio by Mr Marvin Davis, the Denver oilman, it is understood. The deal will go through with few problems.

Mr Davis' offer to acquire the company is viewed with enthusiasm by Mr Denis Saxe, chairman and chief executive, said after the board met with Mr Davis. The board authorised further discussions with Mr Davis which could lead to negotiations of a formal agreement on the deal.

Mr Stanfill described the meeting as "very friendly and positive". It was his first public comment since the surprise news of the takeover bid was announced more than a week ago.

Mr Davis toured the studio and a spokesman said afterwards: "He is going to put a lot of money into it and he is determined to make it number one".

The film company, one of the most famous in Hollywood, which has leisure activities as well, would be transformed from a public traded corporation into a private company if the Davis offer is successful.

Under the agreement with Fox's biggest shareholder, Chris-Craft Industries Incorporated of New York, April 7 is the deadline for execution of a definite deal between Mr Davis and Fox. If that deadline is not met, Chris-Craft has the right to terminate its agreement to support the Davis offer.

Mr Alan Hirschfield, vice chairman of Fox, said Mr Davis had indicated that he would keep the same management team if he takes over.

There have been reported conflicts in the past nine months between Mr Stanfill and Mr Hirschfield, the man he hired to run the studio.

Joint UK venture on defence satellites

British Aerospace and Plessey have agreed to collaborate on the development of communications satellites for defence purposes. The two companies have joined forces as proposals are being considered by the Ministry of Defence to reestablish an independent British military satellite communications network costing £100m.

Although the new system, known as Satcom/Skyner TV, would exchange information through the Nato and United States satellite networks, the project has been designed specifically to accommodate the Trident submarine system and the increasing use of space communications links by the majority of the Royal Navy's vessels.

The collaboration of British Aerospace and Plessey in this field presents a direct challenge to the GEC company, Marconi Space and Defence Systems, which specialises in military and space communications equipment.

The European Community has approved a French ban on the importation of Japanese colour television sets by way of other European countries. The import quota was filled in 1979 and 1980, but imports of these sets through other European nations quadrupled in those same years from 18,700 to 76,700.

Industrial training
Some industrial training boards may have outlived their usefulness, Mr Peter Morrison, Secretary of State for Employment, said in Birmingham. Mr Morrison said that industrial training could be far less bureaucratic and cheaper if it were run by industry on its own.

Refinancing plan
Business confidence in Master-Ferguson is being tested again as the company tries to sell £250m of government-backed preferred shares. The issue forms part of a complicated £250m refinancing plan designed to rescue Massey from bankruptcy.

Loan to China
The International Monetary Fund has approved a 12-month standby arrangement for 450 million special drawing rights for China. The loan is in support of China's economic programme.

Plant to close
Luke and Spencer, of Altrincham, Cheshire, manufacturers of abrasive wheel and grinding machines, is to close in May with the loss of 180 jobs.

Prime rate cut
Chemical Bank has cut its prime rate to 13 1/2 per cent. Other big banks remain at 15 per cent.

Wall Street up
The Dow Jones industrial average closed 3.41 points up at 977.99. The S-DJR 121578. The E was 0.558338.

Fisons lose £16.8m and cut dividend

By Ronald Pullen

Fisons yesterday capped a traumatic period for the group with news that after a £1.5m loss in the second half, full year pre-tax profit had collapsed to £17.3m, down from £13.8m. After a high tax charge and redundancy and closure costs of £11.9m, the group made an overall loss of £16.8m against a profit of £12.1m the year before.

Three years ago the agricultural chemicals and pharmaceuticals company was making over £23m pre-tax and the severity of this year's setback has forced it to cut the final dividend from 9.5p to 3.1p net, saving £3.55m and leaving the total for the year more than a third lower at 10p.

The results came only days after ICI also announced that it lost money in the second half and was taking the almost unprecedented step of cutting its dividend. Many other British chemical companies are expected to announce sharply lower profits for last year, the worst trading period for the industry since the war, and the stockmarket is fearing that dividends are in danger too.

Sir George Burton, the chairman, put much of the blame for the poor results on the recession at home and in Europe and North America, as well as high interest rates.

Overall, sales rose a 3 per cent rise to £454m, but fierce competition has prevented it recouping higher costs through increased selling prices. The strength of sterling is also reckoned to have cut £20m from exports.

The worst affected division was fertilisers where there was a £4m turnaround to trading



Sir George Burton: high interest rates partly to blame.

losses of £1.1m as farmers and merchants delayed purchases because of the high cost of carrying stocks.

Fisons has announced a big rationalization of its fertiliser division involving the closure of peripheral sites and the loss of 1,100 jobs, a quarter of the division's total. Losses are expected to continue into the first half of this year. All other divisions have also shown reduced trading profits in the year.

Fisons' troubles have been exacerbated by high interest charges to £12.6m. Tax also rose sharply, from £4.1m to £5m as losses at home could not be offset against profits earned abroad.

Despite the bad news, Fisons shares managed to rally 12p to 140p on the stock market, helped by vague talk that the parlous state of the group could attract a takeover.

Financial Editor and company profits, page 17

Neepsend closures on the way

By Peter Wilson-Smith

Neepsend, the Sheffield special steels and engineering group, is to close a large part of its domestic activities. The term dividend has also been passed, after a half year loss—the first in the group's 50-year history.

Mr Stanley Speight, chairman and a former Master Cutler of Sheffield, said in a statement accompanying the results: "In recent years we have been able to continue our activities, in spite of the fact that other parts of the group were making good profits".

He said the group had used its breathing space to update plant and improve efficiency, but the Government had failed to set an unfair import competition, now taking 50 per cent of the domestic market, and the group's energy costs were as much as 50 per cent more than those of overseas competitors.

"In the light of this situation, your directors are of the opinion that there is no long term future for our traditional position in steel and engineering, and to terminate many of these activities", he said.

No further details were available, but local sources believe that Neepsend intends to close all its steel melting and rolling activities which might involve about 500 redundancies.

Since April 1980, there have been 400 redundancies, reducing the group workforce to 1,300.

Neepsend lost £1.66m before tax in the six months to September 30 compared with a £310,000 profit in the comparable period. The loss included £100,000 redundancy costs, but there will be more charges, rose from £34,000 to £68,000.

Mr Speight said the main reason for the losses was the fall-off in sales since April. Sales fell from £17.4m to £11.7m.

Financial Editor page 17

Britain seeks to retain compulsory controls on EEC steel production

From Michael Hornsby
Brussels, March 2

Britain will tell its European partners tomorrow that it wants compulsory controls on Community steel production to continue because of sluggish demand, unless an effective alternative method of restraint can be agreed.

Britain's view is to be outlined by Mr Norman Tebbit, Minister of State for Industry, over an informal luncheon with his EEC colleagues before a more general discussion on the future of the hard-pressed European steel industry in the afternoon.

The present system of mandatory production limits, which was introduced last October under Article 58 of the European Coal and Steel Community Treaty to shore-up falling prices, will expire on June 30 unless renewed by members.

The British view is understood to be shared by a majority of member states. Only

Dr Otto Lamsdorff, the West German economics minister, is likely to express outright opposition to any extension of the Article 58 emergency powers.

"We didn't like Article 58 from the beginning and we will continue strongly to oppose it," a West German spokesman said.

The only alternative would appear to be a return to some kind of voluntary system of production quotas by steel manufacturers, but subject to stricter supervision than in the past.

Viscount Etienne Davignon, the normally laconic EEC Commissioner for Industry, has been notably reticent in public about what he thinks should happen after June 30, while managing to leave the clear impression that he would dearly like to be rid of the emergency powers.

Although Britain and West Germany do not see eye to eye on Article 58, they appear otherwise to be in broad agreement on the strategy that

should be followed during the next phase of restructuring of the steel industry.

Both would like to see a firm timetable set for the elimination of all state aid to the steel sector — Britain has suggested the end of 1983 — and would like EEC members to commit themselves to a coordinated programme of capacity reduction.

Britain also has the support of the West Germans in arguing that all new investment in the steel industry likely to lead to an increase in production capacity should be banned. This is broadly in line with the thinking of the European Commission.

Italy and Belgium are among the countries expected to have difficulty in agreeing to capacity reduction. The Belgians have a special problem in that investment in new continuous-casting plant was part of the price paid to secure trade union agreement to the recent merger of the country's two main steel-making companies.

Stockbroking firms amalgamate

By Catherine Gunn

The amalgamation of stockbroking firms Hedderwick, Stirling, Crumbar and Quilter Hilton Goodison was finally announced yesterday afternoon.

The merger will be effective from April 11, the start of Quilter's financial year. Mr Nicholas Goodison, the firm's senior partner and also chairman of the Stock Exchange, said yesterday. The merger is subject to Stock Exchange consent. Hedderwick will cease trading on April 10.

Roughly half Hedderwick's staff of 200 will join Quilter. Eleven of Hedderwick's 22 partners, including Mr Wallis Hunt, its senior partner, will become partners in Quilter. Nine, unnamed, are being invited to become associated members; and two will not be moving across.

Commenting on the merger yesterday, Mr Hunt said: "I am very pleased indeed for the business and the future, but sad that on such occasions there are some you cannot take with you".

Mr Goodison said he was satisfied with the agreement. Some details remain to be settled, notably redundancy terms, and offices. Two separate offices will be maintained for the moment.

The merger adds another £300m worth of private client portfolios to Quilter's established private client business, giving it a total value of approximately £750m. Mr Goodison said it would also benefit the firm's specialist services to institutions, and its European securities and corporate finance operations.

But Hedderwick's gilt-edged department will be wound up. Hedderwick's will now be wound up, releasing the partners' capital. The new partners in the enlarged Quilter will bring their capital with them.

They are: Mr Hunt, Mr Robin Althaus, Mr John Booth, Mr John Byron, Mr William Callingham, Mr Ian Calvo, Mr Peter Hillier, Mr Peter Kay, Mr Simon Meredith-Hardy and Mr John Welchman.

The merger talks resulted from an informal conversation between Mr Hunt and Mr Richard Elxland, Quilter's managing partner, some months ago. "We are old friends", Mr Hunt said yesterday.

The formal discussions took place on Thursday and Friday last week before the agreement was concluded.

PRICE CHANGES

Rises

Euro Ferries	7 1/2p to 15 1/2p
Flora	15p to 140p
Global Nat Res	35p to 47 1/2p
Grippitwoods	8p to 13 1/2p

Falls

Anglo Am Corp	25p to 33 1/2p
Bracken Mines	12p to 15 1/2p
Lloyds Bank	13p to 31 1/2p
Minicor	23p to 61 1/2p
Nat Westminster	17p to 36 1/2p

American airline offers 'three for the price of two' deal to raise cash 200 used passenger aircraft wait for buyers

Buy two, get one free. That is the remarkable deal offered by one American airline in an attempt to sell unwanted second-hand aircraft.

There is an unprecedented glut in the market for used planes, and an estimated 200 passenger jets are now parked in remote desert and scrubland sites round the world awaiting buyers.

The number has quadrupled over the past 12 months and prices have slumped. Competition for buyers—including the Third World and bargain-hunters from Europe and the United States—has intensified.

Airlines, most of which are pressed for cash during the present recession, are offering increasingly attractive deals, including leasing-to-buy arrangements on highly favourable terms.

Mr Gianleopoldo de Julio, Alitalia's manager of aircraft leasing and sales, who recently delivered a third DC 8-62 to a South American customer, said that the glut could mean that the plane could be sold for less than its purchase price.

Many will fall to find buyers and be scrapped, he fears, although he acknowledges that some world plane brokers are hoping that the glut may prove to be only temporary.

British Airways is one of many world carriers which has increased its sales into the second-hand market in recent years.

It is now negotiating the sale of 14 VC-10s to Lanza Caribbean and has two brand new 747s, still with the makers Boeing, on offer. In addition, it

is looking for buyers for five Viscounts and three 707s. Further eight 707s will be sold over the next three years, and British Airways, a BA charter subsidiary, will soon be offering four 707s for sale.

In recent months British Airways has sold six Viscounts to British Air Ferries and two 747s to TWA. The disposal of undelivered 747s has been prompted by the airline's need to make economies.

Two factors have been important in creating the present saturated market. First is the tremendous pressure to retire fuel-inefficient planes such as the 707 and DC-8, which because of rising energy costs have become old before their time, in effect.

Second is the introduction of new noise pollution regulations. These mean that several hundred planes, in the 707 and DC-8 ranges primarily, will either have to be scrapped or re-engineered if they are to be allowed to use European and American airports after 1985.

The other option, to which airlines will be turning over the next couple of years, is to try to lease or sell them at knock-down prices.

A 707 in good condition can be picked up for \$1m or less, while British Airways could possibly be tempted by an offer of as little as £50,000 for one of its 10 to 20-year-old Viscounts—although a similar model in top condition might cost up to £130,000.

John Huxley

PROMOTIONAL GIFTS



● Key Rings ● Paperweights
● Cuff Links ● Badges etc
Enquiries on company letter heading please for free design and quotation.

Manhattan-Windor
STEWART ST., BIRMINGHAM B18 7JH
TEL: 021-454 6404 TELX: 338633



Hongkong's reexports top £251m

Hongkong's vital reexport trade soared to a record HK\$3,000m (£251m) last year, an increase of 50 per cent over 1979. China has become the number one market for Hongkong reexports and the number one source of reexports abroad via Hongkong.

Reexports to China rose from HK\$1,310m in 1979 to HK\$4,640m (an increase of 253 per cent) and its own exports via Hongkong from HK\$5,660m to HK\$8,390m, a 48 per cent increase.

The boom is a further indication of the importance of Hongkong to China and enhances the growing cooperation between the two.

China and its former "colonial" neighbour.

US car sales

With showrooms brimming with unsold cars, United States manufacturers are cutting their first quarter production schedules again in an attempt to reduce stocks. Hopes are that inventories will be reduced to a point that even if sales nose-dive after new rebates programmes end in mid-March, dealers will have room for cars assembled in March.

Swiss liquidity

Following the Swiss National Bank's latest discount and Lombard rate increases, banking liquidity in Switzerland rose strongly towards the end of February, and banking industry sources said the approach of the monthly settlement date appeared to outweigh other factors in influencing the activity.

Syria trade expands

Despite strong relations with the Soviet Union, Syria has been expanding its economic ties with the West. Dozens of European companies are involved in projects in Syria, and officials there are hoping that the volume of trade with the west will continue to expand.

Belgian deficit

Marc Eyskens, Belgian finance minister, said that the public sector's financing needs this year were likely to climb to 8,000,000,000 (£2.5m). Much of this would have to be met by foreign borrowings, and this would put further strains on Belgium's deteriorating balance of payments.

Shorter shifts at VW

Volkswagenwerk the West German car maker, said that it was planning to introduce shorter shifts at its transmission plant in Kassel, sometime in April. A spokesman said plans were to cut back work for about a week.

S Korea jobless

South Korea's unemployment rate averaged 5.2 per cent in 1980, the second lowest level since 1967, when it stood at 6.2 per cent, the national bureau statistics said. The number of jobless was 749,000 for 1980, up from 542,000 in the previous year.

\$6,700m budget

China's budget deficit exceeded \$6,700m (£3,040m) in 1980, the magazine Peking Review said. The Government's original estimate was for a deficit of \$5,300m.

Citroen lay-offs

Peugeot's subsidiary Automobiles Citroen said that it plans an average two days of lay-offs at all its factories in March, affecting about 30,000 of its 54,000 workforce.

Incomes Data Services looks at public and private organizations

Defining changes in managers' pay

Incomes Data Services (IDS), the researchers specializing in pay and conditions of employment, yesterday launched a new service for those needing to pinpoint changes in management pay which IDS describes as "a jumble of contradictory information".

The first monthly report from IDS's new Top Pay Unit attacks suggestions that directors' salaries have risen nearly 40 per cent—while also letting in some light on top people's salaries at the Post Office, the National Coal Board and 13 organizations in both private and public sectors.

Average annual salary increases for directors are probably less than 20 per cent in most cases, according to the review. It dismisses as "the money programme" an analysis in a BBC Money Programme suggesting that increases in chairman's and chief executives' salaries had been 39.9 per cent.

The BBC's sample of 50 top companies was small and selective, argues the review, it was based on data from annual reports and reflected total remuneration, including bonus payments, rather than just

salaries. Given the source, which reporting changes, the aggregate levels reported in 1980 would have reflected rises in 1979 when pay was recovering from a period of pay restraint.

Two more recent and extensive surveys suggested the IDS conclusion about the level of average salary increases. One—by Charterhouse—reported a median increase of 13.6 per cent.

But the review added: "Although good information is available on the levels of directors' pay, percentage increase figures are frequently suspect." There are many critical variables determining salaries, including types of directorship, the industry involved, profitability and especially the size of company.

The review's initial researches have thrown up more than 60 sources of information on salaries and benefits as well as information from government and other public sector areas. The data has proved of astonishing diversity, much of it suspect and non-comparable and in need of qualification, according to Mr Mark Leyton, the review's managing editor who is also a director of IDS.

The review at first will be able to do only limited original research of its own, although analyses based on job advertising is a possibility. But a chart has been made on tracking changes in management salaries at individual companies on which there are reports. These showed that in a number of cases, managers received salary increases in line with shop floor rises. It is too early yet to see a pattern on the grounds, Mr Leyton said. At the Post Office at the end of last year, for instance, the top management band had a 15.1 per cent rise compared with an arbitration award for other levels of between 20.6 per cent and 23.6 per cent. At the National Coal Board, however, managers received almost the same rises as the miners'—3.7 per cent on salary scales and 13.2 per cent on bonus payments. But there had been downward pressure on management salaries previously, the review points out.

Top Pay Reviews, monthly by Incomes Data Services, 145 annual subscription.

Derek Harris

CEGB threat to halt coal supplies deal

By Our Energy Correspondent

Talks aimed at reducing the Central Electricity Generating Board's coal imports next year have started with the National Coal Board, Sir Derek Ezra, the NCB chairman, said yesterday.

The CEGB has given a warning that it would end its agreement to take 75 million tonnes from the NCB annually over five years if it were effectively prevented from importing coal.

Its imports next year are expected to fall from 51 million tonnes to 31 million tonnes as a contract for deliveries from the United States ends, but the CEGB is keen to maintain its contract for coal from Australia.

But Sir Derek told the Coal Industry Society that he hoped that with the support of government and the electricity authorities it would be possible to switch gradually from imports to home-produced supplies.

Reduction of imports of

nearly 8 million tonnes in total is one of the main demands of the National Union of Mine-workers to reduce the financial pressure on the coal industry and to prevent a programme of accelerated pit closures.

Miners threatened to call a strike ballot and some areas took unofficial action after the coal board introduced a programme of 23 pit closures last month to ease the effects of the recession.

This plan was withdrawn as the Government indicated that it was prepared to ease the constraints on the coal industry imposed by cash limits and the 1980 Coal Act.

Sir Derek said yesterday that he was pleased the Government had recognized the need for change in the board's financial base to create the conditions for future expansion.

With Government approval the board had set up a working party with the unions.

MPs to question BL chief on cash plans

By Edward Townsend

Sir Michael Edwards, chairman of BL, is to appear before a Commons committee on Thursday to explain the company's financial plans. The hearing will take place two weeks ahead of the company's expected announcement of a £400m loss for 1980.

The all-party industry and Trade Committee will question Sir Michael on BL's four-year corporate plan which is being financed for the first two years with £900m of public money.

The BL board has already said that a further £150m will be needed to fund developments in 1983 and 1984 and MPs will want to know from Sir Michael whether he expects this sum to come from government or private sector sources.

BL's results for 1980 are expected to be disclosed on March 20. The losses follow a deficit of £122m in 1979 and a profit of £17m in 1978. BL

has told the Government that it expects to break even in 1983 and become profitable the following year.

Sir Keith Joseph, Secretary of State for Industry, told the committee two weeks ago that the Government was "appalled" at the cost to the taxpayer of funding BL. It was hoped that the company would raise future finance from depreciation, profits, the private sector and from collaboration deals with other motor companies.

He considered that questions relating to BL's management and future marketing plans should be addressed to Sir Michael.

The chairman probably will tell MPs that the company's financial estimates for last year were disrupted by the continuing high sterling exchange rate, which had hit export sales, and by high interest rates. The latter are thought to have cost BL about £100m last year.

Technology News

Europe protest over spacecraft cancellation

The European Space Agency (ESA) has protested strongly to the United States National Aeronautics and Space Administration (NASA) at the decision to cancel an American spacecraft which was to have formed part of a collaborative two-spacecraft project.

Planned launch date for the project, known as the International Solar Polar Mission (ISPM) was 1985. Cancellation of the satellite was attributed by NASA officials last week to severe spending cuts imposed on NASA in the preparation of the Reagan Administration's federal budget.

At a joint meeting, officials of the European agency protested that the cancellation, which was made without consultation, was a unilateral breach of the Memorandum of Understanding between the two agencies. The cancellation was therefore unacceptable to ESA, which requested full restoration of the programme to its original level.

Unilateral actions of this kind, ESA stressed, would be detrimental to future space co-operation between Europe and the United States.

As a result of the cancellation, European scientists from about 17 research institutes who were supplying instruments for the NASA spacecraft would have to fly them. The experiments were already in an advanced stage of development; more than half the total costs had been committed and so would be lost without corresponding scientific return.

ESA's board of management resolved to take "immediate and strong action". This included asking all ESA member states to protest and to decide through their ambassadors in Washington. The agency is now awaiting the outcome of this.

The second satellite in the project is being built by a European industrial consortium led by Dornier of West Germany. The aim of the coordinated flights is that the two craft would obtain complementary scientific information about the sun.



Cutting through 13mm steel plate with an abrasive-carrying water jet at Cranfield.

pean industrial consortium led by Dornier of West Germany. The aim of the coordinated flights is that the two craft would obtain complementary scientific information about the sun.

pean industrial consortium led by Dornier of West Germany. The aim of the coordinated flights is that the two craft would obtain complementary scientific information about the sun.

Steel cutting in emergencies

Significant advances in water-jet cutting and cleaning technology have been disclosed in the annual report of the British Hydromechanics Research Association (BHRA) at Cranfield. These include the development of an emergency jet-cutting system for North Sea oil and gas production platforms.

This project is being carried out by BHRA for British Petroleum. The aim was to design a system which could be used to gain access to closed areas on platforms in an emergency, and which would also cut debris to assist in its removal.

This steel-cutting system will form part of the standard equipment on board an emergency support vessel.

The technique which BHRA is applying for this task has been developed with support from the National Research Development Corporation. It involves the mixing of cheap abrasives in a water jet which can then be used to cut hard materials at pressures which are not excessive.

Using this method, 13mm (about half an inch) thick mild steel plate has been cut at 100mm per minute, at a pressure of 830 bar. Tests have indicated that a 50 per cent increase in pressure should enable twice the thickness of material to be cut, assuming a fixed rate of traverse.

To reduce the risk of the abrasive particles generating sparks during the cutting process, the abrasive is supplied to the cutting head already thoroughly wetted in the form of a slurry. The slurry is pumped through a hose which is checked in explosive atmospheres of hydrogen/air and methane/air in a recent series of trials.

As well as steel, these trials included cutting tests on a sandstone known to produce dangerous sparks when cut by conventional mechanical means.

No ignition of the gas occurred during cutting with the abrasive water jet.

Carbon fibres for Airbus

A demonstration Airbus Industrie A300 aircraft is now flying with a rudder made of carbon fibre reinforced plastic (CFRP) in place of the standard light alloy structure.

Measuring over eight metres long and two metres wide, the new rudder is the largest single carbon-fibre element undergoing trials on the aircraft at present.

Its weight-saving over the conventional metal rudder is 45kg or about 20 per cent. Performance of the unit is being studied in a programme of flight tests, and a second composite rudder is expected to begin in-service testing on a Lufthansa A300 next month.

The use of such elements is part of a weight-saving programme on A310 and A300 Airbus aircraft aimed at achieving a higher payload.

Kenneth Owen

French-style loan plan urged for small firms

By Peter Hill

The Government is being urged to consider deploying a loan scheme directed at small businesses in a highly successful scheme developed in France.

Sir Keith Joseph and other ministers have been asked to consider introducing the scheme as the major feature of its attempts to stimulate small business investment and growth.

A number of other EEC countries are considering similar schemes and consideration of a similar venture is being studied by the Reagan Administration in the United States.

French scheme is designed to provide assistance to industrial and commercial companies whose annual turnover does not exceed £50m and which employ up to 500 workers. Loans are issued through Credit National with a minimum life of 15 years and a maximum of 20.

The scheme is directed especially at developing new products, markets, techniques and the provision of new jobs in areas of high unemployment. The method used in France is to subordinate the Government loan to rank after all other creditors and thus place it alongside all other shareholders in a company.

There are repayment holidays—of up to five years—and an initially low interest rate.

Sir Charles Villiers, chairman of BSC (Industry) the corpor-

ation's job creation subsidiary, which faces an enormous task in promoting the attraction of new industries to areas where businesses are thin on the ground, said yesterday that over the last two years the French Government had provided £80m in participative loans through Credit National to companies in the main French industrial areas.

Sir Charles has suggested to ministers that if the scheme was adopted in the United Kingdom it could be described as the subordinated loan scheme with loans being issued by the Scottish and Welsh Development Agencies out of their existing financial allocations.

Funding for the assisted areas of England would be made by another agency, possibly the National Enterprise Board.

He said: "The scheme would not require additional financial provision and it would not replace existing grant schemes. The subordinated loan is not intended as a subsidy but as a financial instrument in its own right."

The loan would constitute a cumulative redeemable preference share and it would offer some competition to banks and other City institutions in their growing plans for capital investment in small companies.

Sir Charles has suggested that the use of subordinated loans should be restricted to development areas.

LETTERS TO THE EDITOR

The affair of the Lloyd's Bill

From Lord Napier and Ettrick

The Chairman of Lloyd's, Mr Peter Green, has recently written to all the underwriting members of Lloyd's seeking inter alia to justify the inclusion of Clause 17 (the legal immunity clause) in the Private Bill shortly to be considered by Parliament.

I was a member of the Sasse Syndicate No. 762 at Lloyd's. Mr Green has publicly admitted that "grave irregularities" had occurred in the affairs of this syndicate, and hence—the settlement made by Lloyd's.

It has been put about in certain sections of the press that this settlement was some kind of rescue operation. It was, of course, nothing of the sort. It was a settlement, offered at the instigation of Lloyd's, out of court.

It was accepted by the names concerned, thus saving Lloyd's from the appalling harassment of the whole business coming out in open court—which it would have done, no doubt causing irreparable damage to the good name of Lloyd's throughout the world.

As a member of the world over £6 million was left as "bad underwriting", and this was readily accepted by the one hundred odd names on this particular syndicate.

None of the principle of unlimited liability; what the figures in the Sasse case were questioning was how much of a loss in excess of £21 million was there legal liability?

Lloyd's are now putting forward the argument that the proposed new Bill was approved at an extraordinary general meeting of the members in the Albert Hall last November by some 99.57 per cent. What was agreed at that meeting, which I attended, was the principle of a new Bill to give Lloyd's powers to better order its own affairs. The details of the Bill were not disclosed until some time later.

I do not believe that any future disgruntled name could sue the committee simply for bad underwriting. Lloyd's could only be sued if they had been in breach of their duties, either statutory or contractual, owed to the name. If Lloyd's have behaved properly, they have nothing to fear in the courts. On the contrary, they would be vindicated. Of course the position would be different if in fact they have behaved improperly.

It seems to many of us that Lloyd's are now seeking to place themselves above the law. Should this come to pass, then I believe it would be prudent for every name to reconsider his or her own position most carefully with a view to deciding whether they wish to continue as underwriting members of Lloyd's.

It is, after all, a fact that without the financial backing of the external names, Lloyd's would cease to function.

I am, etc.
NAPIER & ETRICK,
House of Lords,
February 26.

From Mr David Charlesworth
Sir, Further to your Business Diary profile of Lloyd's of

London, I write as an ordinary non-working "external" member to record some statistics that might put some current matters in perspective.

The proposal to present the Bill to Parliament, following the Fisher report, was approved at an extraordinary general meeting of all members by 13,219 votes for and 57 against.

The association of which Lady Middleton is chairman represents only some 200 external members, three-quarters of which presumably voted for the Bill in its original form. The majority of the active members of Lloyd's are new members of Lloyd's—in fact the secretary only started underwriting last month. Lloyd's accounts are held open for three years to meet claims, and there is a further delay whilst payments are made and tax matters dealt with—it is therefore five years after election that a member has seen a complete cycle of events.

That Parliament is supreme is surely accepted by all at Lloyd's, but MPs should note that the so-called body representing external names has only a membership of 1 per cent of such names, and that 99 per cent of all members voted for the Bill and that the overwhelming majority of all members support the present chairman of Lloyd's, Mr Peter Green, and his council.

DAVID CHARLESWORTH,
4 Shaftsbury Mews,
Stratford Road,
London, W8 6QR,
February 25.

From Mr Raymond J. Hill
Sir, The British Union of Social Workers feels that the decision of the Board to impose standing charges on the users of gas meters is yet another blow against the most vulnerable members of our society, and that this is another example of Government interference in the running of nationalised industries specifically designed to kill off those who are likely to make demands upon other services.

The imposition of this charge could mean the difference between the elderly on the domestic rate (24.6p for the first 52 therms and 21.2p thereafter) elicted this reply.

"...the British Gas Corporation specify that the gas supplied under the Domestic Credit Tariff may be used only in a private residence not subdivided into separately occupied parts, and your premises do not qualify for this tariff."

A formal request to the chairman of the British Gas Corporation for an explanation of this irrational and inequitable ruling remains unanswered.

J. W. RICHARDS,
17 Palace Gate,
London, W8,
February 25.

From Mr J. W. Richards
Sir, The "robbery" of the gas standing charge referred to by your correspondents, and the

and gas for United Kingdom consumption and passing on the immense benefits of lower prices to the inhabitants of these islands, as the Americans have done for decades.

Not only would we now be enjoying a considerably lower level of inflation, but our industry would be in much better shape, and much more competitive as a result of lower costs and lower prices.

REG WILLIAMS,
Pinetrees,
North Road, West,
Hythe,
Kent, BR2 0PL,
February 16.

From Mr R. Williams
Sir, The debate continues on how the revenues from North Sea oil should be spent to the best advantage—let us hope that a sensible and acceptable solution is soon reached.

Meanwhile, I suggest that posterity will look back on this period in our history with amazement and disbelief—disbelief that the Government have failed to utilize this fantastic piece of good fortune for the benefit of our own people and our industry, by accepting a lower level of taxation on oil.

From Mr B. Barker
Sir, This institute is a good example of the professional institutions in which the chairman, Sir Kenneth Owen, referred (February 20) in his appeal for a closer understanding between the public and private sectors of the economy based on their interdependence.

Seventy per cent of chartered secretaries work in the private sector and thirty per cent in the public. At our branch meetings and conferences the health service administrator rubs shoulders with the company secretary and the electricity board administrator with his opposite number in the industrial company which is his customer. This is one of the many advantages of being professionally qualified.

In 1980 our qualification was recognized in the Companies Act as being appropriate for the secretary of a public limited company; in 1981 we are being recognized as providing the appropriate qualification for administration in local government.

We firmly support Mr Wedgwood in his view that bridges need to be built and maintained between the sectors. Why should we be so concerned about ownership? What matters is cost effective performance leading to the creation of wealth and jobs. Envious sniping of one at the other can only distract and damage.

At any rate, chartered secretaries are the same wherever they are employed—and so are other professional people.

We accept the aims which Mr Wedgwood has described and the responsibility which follows from that acceptance.

Yours faithfully,
B. BARKER,
Secretary and Chief Executive,
The Institute of Chartered Secretaries and Administrators,
16 Park Crescent, London, W1K.

Gas bill complaints

anomaly which enables it to be avoided by the installation of a coin meter, pales into insignificance beside the extortion practised by the British Gas Corporation in applying their charges for certain domestic premises.

I am one of a cooperative of six flat owners whose annual gas bill is of the order of £2,000 a year, meter serves all flats and we share the bill.

Charges to us are made at the commercial rate of 26.1p per therm. A complaint to North Thames Gas that we should be charged at the domestic rate (24.6p for the first 52 therms and 21.2p thereafter) elicited this reply.

"...the British Gas Corporation specify that the gas supplied under the Domestic Credit Tariff may be used only in a private residence not subdivided into separately occupied parts, and your premises do not qualify for this tariff."

A formal request to the chairman of the British Gas Corporation for an explanation of this irrational and inequitable ruling remains unanswered.

J. W. RICHARDS,
17 Palace Gate,
London, W8,
February 25.

From Mr J. W. Richards
Sir, The "robbery" of the gas standing charge referred to by your correspondents, and the

and gas for United Kingdom consumption and passing on the immense benefits of lower prices to the inhabitants of these islands, as the Americans have done for decades.

Not only would we now be enjoying a considerably lower level of inflation, but our industry would be in much better shape, and much more competitive as a result of lower costs and lower prices.

REG WILLIAMS,
Pinetrees,
North Road, West,
Hythe,
Kent, BR2 0PL,
February 16.

From Mr R. Williams
Sir, The debate continues on how the revenues from North Sea oil should be spent to the best advantage—let us hope that a sensible and acceptable solution is soon reached.

Meanwhile, I suggest that posterity will look back on this period in our history with amazement and disbelief—disbelief that the Government have failed to utilize this fantastic piece of good fortune for the benefit of our own people and our industry, by accepting a lower level of taxation on oil.

From Mr B. Barker
Sir, This institute is a good example of the professional institutions in which the chairman, Sir Kenneth Owen, referred (February 20) in his appeal for a closer understanding between the public and private sectors of the economy based on their interdependence.

Seventy per cent of chartered secretaries work in the private sector and thirty per cent in the public. At our branch meetings and conferences the health service administrator rubs shoulders with the company secretary and the electricity board administrator with his opposite number in the industrial company which is his customer. This is one of the many advantages of being professionally qualified.

In 1980 our qualification was recognized in the Companies Act as being appropriate for the secretary of a public limited company; in 1981 we are being recognized as providing the appropriate qualification for administration in local government.

We firmly support Mr Wedgwood in his view that bridges need to be built and maintained between the sectors. Why should we be so concerned about ownership? What matters is cost effective performance leading to the creation of wealth and jobs. Envious sniping of one at the other can only distract and damage.

At any rate, chartered secretaries are the same wherever they are employed—and so are other professional people.

We accept the aims which Mr Wedgwood has described and the responsibility which follows from that acceptance.

Yours faithfully,
B. BARKER,
Secretary and Chief Executive,
The Institute of Chartered Secretaries and Administrators,
16 Park Crescent, London, W1K.

From Mr R. Williams
Sir, The debate continues on how the revenues from North Sea oil should be spent to the best advantage—let us hope that a sensible and acceptable solution is soon reached.

Meanwhile, I suggest that posterity will look back on this period in our history with amazement and disbelief—disbelief that the Government have failed to utilize this fantastic piece of good fortune for the benefit of our own people and our industry, by accepting a lower level of taxation on oil.

From Mr B. Barker
Sir, This institute is a good example of the professional institutions in which the chairman, Sir Kenneth Owen, referred (February 20) in his appeal for a closer understanding between the public and private sectors of the economy based on their interdependence.

Seventy per cent of chartered secretaries work in the private sector and thirty per cent in the public. At our branch meetings and conferences the health service administrator rubs shoulders with the company secretary and the electricity board administrator with his opposite number in the industrial company which is his customer. This is one of the many advantages of being professionally qualified.

In 1980 our qualification was recognized in the Companies Act as being appropriate for the secretary of a public limited company; in 1981 we are being recognized as providing the appropriate qualification for administration in local government.

We firmly support Mr Wedgwood in his view that bridges need to be built and maintained between the sectors. Why should we be so concerned about ownership? What matters is cost effective performance leading to the creation of wealth and jobs. Envious sniping of one at the other can only distract and damage.

At any rate, chartered secretaries are the same wherever they are employed—and so are other professional people.

We accept the aims which Mr Wedgwood has described and the responsibility which follows from that acceptance.

Yours faithfully,
B. BARKER,
Secretary and Chief Executive,
The Institute of Chartered Secretaries and Administrators,
16 Park Crescent, London, W1K.

THE UNITED STATES AND GENERAL TRUST CORPORATION, LIMITED

The Ninety-first Annual General Meeting of the United States and General Trust Corporation Limited will be held on March 26th in London.

The following is comment by the Chairman, Mr. C. K. R. Nonneley, included in the Report of the Directors which has been circulated to shareholders.

The retirement of Bill Marton on 31st December, 1980, after four years as Chairman, leaves a gap which will indeed be difficult to fill. His knowledge, charm and courtesy have been of the greatest value to his colleagues and we will all miss him very much.

His final year was a profitable one for the company's shareholders—remarkably so in the circumstances of the world economy. Against a background of deepening recession, worsening unemployment, spiralling interest rates and high inflation, investors appear to have decided that equity investment offered the best hope of maintaining real value. Among the stockmarkets of any size, only that of Belgium failed to show a positive overall return in local currency terms. For a UK investor, however, the strength of sterling reduced returns from all overseas markets except Japan and, in particular, made investment in Continental Europe generally unattractive. In these circumstances your Board have continued to invest the bulk of the company's assets in the UK and the rise of 32.5 per cent in net asset value per share compared favourably with the major indices: the FT Actuaries All Share Index rose by 27.1 per cent, while the Standard and Poor's Composite Index in the USA and the Tokyo New Stock Exchange Index in Japan each rose by 17.0 per cent in sterling terms.

The decision by the Chancellor of the Exchequer to exempt investment trust companies wholly from corporation tax on capital gains from 1st April, 1980, was welcome. By encouraging more active investment policies, and by making the shares more attractive to tax-free institutions, it has been one of the forces behind the reduction of the average discount on investment trust assets values from 33 per cent to 23 per cent during 1980; this improvement was reflected

BY THE FINANCIAL EDITOR

Can Fisons shape its own destiny?

Fisons' old strategy of using the fertilizer and scientific equipment divisions as cash generators for pharmaceutical and agrochemical expansion is in tatters. Not for the first time in the past fifteen years the group is groping for a new corporate direction. Even the agrochemical link-up with Boots smacks of mortgaging the heavy research and development spending here.

In its present straitened circumstances Fisons is having to take a much closer look at itself. It is now trying its damndest to convince the City that outside the tripartite evils of sterling, interest rates and the recession, which have undoubtedly dogged it over the past two years, it can still do something to shape its own destiny.

So the emphasis is being put on the recovery programme, moves away from the high break-even commodity cycle into higher margin specialty products, joint ventures in horticulture and rationalization in fertilizers. Even in pharmaceuticals Fisons is now pointing to the inherent growth prospects for Intal after the shock of the recent loss of its promising new Proxeromil drug.

Fisons was also doing its level best yesterday to put a brave face on the much worse than expected collapse in pretax profits with the £1.5m second half loss pulling them down from £17.3m to a meagre £3.8m.

After their recent vertiginous fall, the shares—a thin and difficult market at the best of times—gained 12p to 490p on relief that the company's heart is still beating, that the final dividend has been only cut from 13.7p to 4.4p gross and not passed altogether and the vague takeover rumours, although few can see what a bidder would now find attractive.

Apart from pharmaceuticals, where trading profits were almost level pegging despite a £2m currency loss and squeezed margins, all divisions had a terrible second half. Tough competition also hit agrochemicals although the specialty products like Nortron fared better.

The £4m turnaround to trading losses of £1.1m explains the urgent surgery taken in fertilizers although as in horticulture its problems were exacerbated by the absence of the usual seasonal pick up in demand as the interest rates hurt farmers and distributors.

And in scientific equipment the cutback in public spending meant an even worse second than first half. The upshot was a 31 per cent fall in trading profits to £16.4m and with the unusual debt profile almost doubling interest charges to £12.6m, higher tax as profits overseas could not be offset and £11.8m of extraordinary losses from the fertilizer closures the attributable loss was a thumping £16.8m, and the current cost pre-tax loss around £12m.

All the same Fisons still seems remarkably relaxed about its balance sheet with last year's cash outflow, thanks to the £5m or so from Boots and tight control of working capital, only £2.6m.

At this stage it is impossible to say how gearing will look since it is not known how the agrochemicals business, with its hefty debt burden, will be treated in the balance sheet. The cash outflow from the redundancies will be another £2m this year but the group seems confident this will be offset by operating savings. Cash conservation will hamper Fisons for at least the next year and in the meantime a 9.3 per cent yield is not enough to outweigh all the uncertainties.

Royal Insurance

Better than forecast

Beating its December rights issue forecast Royal Insurance has turned in full-year pretax profits down less than 7 per cent to £122.5m. That compares favourably with the 25 per cent setback reported by Commercial Union last week and reflects Royal's more cautious stance in the face of increasing competition.

But after a fourth quarter in which profits plunged almost 25 per cent to just over £30m, Royal is still starting into an underwriting abyss in most territories. Losses widened from £15m to £24m in Canada and from £4m to £8.5m in Australia to outstrip investment income in both those territories.

And as in the United States where Royal has fared better than average with an underwriting deficit almost doubling to £16m on a relatively low operating ratio of 102.4 per cent, the group sees only worsen-

ing conditions for the majority of the current year.

All of which, at first glance, holds out little hope of better things to come for loyal shareholders who stumped up £116m for new capital in December, to enable Royal to get back on an expansionary track after several years of virtually static premium inflow.

But Royal with the new cash tucked away in short and medium-dated gilts and a solvency ratio up 151 points at 62.5 per cent—parily as a result of its hitherto cautious stance on new business—is taking a noticeably cautious line on expansion.

The knowledge that Royal is not going to do anything rash in its attempts to rebuild market share might perversely put it in the van of any further composite rally on hopes of a significant underwriting recovery in 1982. With cash in the bank Royal can clearly choose when to attack if it sniffs recovery.

The worry of course is that recovery could still be many moons away particularly in the United States where a buoyant equity market is keeping the competition raging.

Boosted by the rights funds and a stronger dollar, Royal could push profits up to between £125m and £130m this time but this would leave little scope for a further significant dividend increase. Last time's 11.6 per cent increase leaves the payment under twice covered, and the shares unchanged at 388p to yield 8.8 per cent are well up with recovery hopes.

Special steel Another casualty

Steel-making in Sheffield has been declining for years, and inevitably the recession has speeded up the process.

Johnson & Firth Brown and Aurora have recently announced large cutbacks; Neepsend seems likely to withdraw completely from steel melting and re-rolling.

Unfortunately it expanded its steel activities in the late 1970s and has apparently subsidised this side of the business for some time from its more profitable activities.

Some of Neepsend's plant was none too modern and it has looked increasingly out on a limb ever since Aurora emerged as the dominant force in high speed and tool steels—a fiercely competitive sector anyway because of the incessant flow of low-cost imports which have steadily taken a larger share of the United Kingdom's market.

Neepsend's steel activities are the main culprits behind the turnaround from pretax profits of £810,000 to losses of £1.66m in the six months to September 30—the result of high fixed overheads combined with the dramatic loss of volume which is indicated by the one-third drop in group sales to £11.7m.

Withdrawal from steel-making would leave Neepsend free to concentrate on more profitable activities such as ferro-alloys—although the drop in molybdenum prices has probably meant poorer results here, too—and its castings and toolmaking activities.

With dollar interest rates turning firmer, partly on disappointment with last week's US money supply figures, the US currency had a good day on foreign exchanges yesterday.

In part, it was the dollar's general strength that lay behind the further fall in sterling—down to \$2.1655 at one stage. But that was not, of course, the whole explanation: sterling continues to have a large question-mark hanging over it ahead of the Budget.

Meanwhile, the shortage in the discount markets was estimated in some quarters to have topped £1,000m, largely reflecting the payment of Petroleum Revenue Tax. For only the second time since last November's change of approach in money market tactics, the Bank of England found itself relieving the shortage by means other than buying in paper.

Very large sums of money were lent to the houses at MLR for periods of seven and eight days. The temporary reduction in the banks' minimum reserve asset ratio clearly prevented a total seizure in the inter-bank market. Even so, the overnight rate still touched 50 per cent at one point and one-week money was trading above 17 per cent.

All governments have had patches during each Parliament, usually somewhere about mid-term. If there was at present any kind of coherent Opposition, this Government's present bad patch would be very bad indeed.

As it is, it will take an uncharacteristically raising performance by the Chancellor in his Budget speech next Tuesday to convince the nation that all is well and that we are still firmly on the track of a coherent medium-term financial strategy.

The question, however, that presses forward and gets no convincing answer is how can it be that what has come to pass is a surprise to the Government. After all, all the main elements could have been and indeed were predicted by those outside the corridors of power. This is not the usual game of being wise after the event. There is sufficient chapeau and verve of published material and forecasts to suggest this.

Item: the argument, in favour of reducing the previous swingeing marginal rates of personal income tax were overwhelmingly strong, but how could anyone actually believe that the cuts made in the 1979 Budget would have a measurable effect on the productivity

Straight into a brick wall again

Hugh Stephenson

and growth rate of the British economy within the short time-scale of a year or two?

Item: how could anybody have based a central part of the Budget and public spending plans on the assumption that nationalized industries as a whole could be moved from deficit into surplus by a financing improvement of £2,300m between 1980 and 1983, when it is clear that the capital investment programmes of so many of the nationalized industries need to rise?

Item: how was it possible to accept commitments to higher pay for the armed forces, the police and the firemen and accept the workings of the Clegg commission in principle without realizing that there would be a public sector pay explosion in the figures that emerged during 1980?

Item: how was it possible that anyone could convince themselves that in the context of a complex and sophisticated economy and financial system, all would come right with a lag of, say, eighteen months to two years simply by locking the economy on to a single auto-pilot called sterling M2?

Looking for an answer to the question why this Government, like all others before it, appears genuinely

public expenditure control and after four years of continual public spending reduction exercises, how could anyone believe that it was only a matter of political will to reduce the inherent upward pressures for more spending, especially in an administration that was committed to substantial real increases from the start for the armed forces and for law and order services?

The catalogue above is depressing precisely because when Mrs Thatcher came to No 10, whatever one might have thought of particular elements of her policy, she held out the promise that she was going to break and then reverse the defeated and defeatist trend of British public affairs throughout the postwar period.

With the miners, British Leyland, British Steel, a 6 per cent pay norm for the public sector, public spending still rising, borrowing requirements starting running 60 p.p. cent above forecast, and unemployment rising faster than inflation is coming down, the script at mid-term has an uncomfortably familiar ring.

Looking for an answer to the question why this Government, like all others before it, appears genuinely

surprised when they find themselves into a well marked brick wall, one given to the uncomfortable conclusion that the fault must lie somewhere in the heart of our system of government.

Whatever the root cause of an incoming government, once in power the machine smoothes any attempt to generate strategic thinking. It is no part of the official machine's function to say: "Look, we know you are committed to Clegg, but unless you get on of it now you will have real trouble in a year's time." That is a political function that must be exercised close to the Prime Minister.

Equally, a strategic political plan for a government needs to recognize that the really difficult problems are multi-dimensional and cannot by their nature be solved by one-dimensional solutions. Again this is not a function that can be performed by a busy departmental minister, or even by a Prime Minister no matter how phenomenally industrious. Every government needs its senior Minister for Avoiding Basic Mistakes. This one seems to need it more than most.

Will the Budget bring a new redundancy deal?

Margaret Stone

With unemployment predicted to rise to three million by the end of the year, like it or not, redundancy is a subject which will have to come to terms. But wait until after the Budget before mulling up on the arcane and complicated rules which govern golden handshakes.

It is widely expected, and hoped, that Sir Geoffrey will announce alterations to the tax treatment of redundancy payments which will eliminate not only the complexity but also the artificiality of the present system. Under the present rules the timing of the handshake is almost more important than the money itself.

How many people faced with the prospect of claiming more than £10,000 for loss of office are aware that under the law as it now stands, it is vitally important to have that cheque before the end of the tax year? To retain the same tax advantages on post-April 6 payments the newly redundant would have to consider remaining out of work for the rest of the fiscal year 1981-82.

For any government which is committed to the idea of job mobility, this consequence is as wrong as it is absurd. In August 1979 the Inland Revenue issued a consultative document *Payments on termination of employment*. The Revenue's own recommendations have broadly met with approval from tax consultants who specialize in this field.

The existing arrangements suffer from two important defects. The first is the "top-slicing relief" which although designed to prevent an individual paying tax at excessively high marginal rates on the exceptional amount of income received in redundancy year,

can distort the tax picture on any new income received that year.

The other problem is that the original dividing line between compensation for loss of office and ex gratia payments (which are taxed in a different way) has become blurred and a fallow ground for tax avoidance tactics. The need for ex gratia payments, originally designed for those nearing retirement without adequate pension entitlement, is fading.

With a conventional compensation for loss of office payment, the first £10,000 is not subject to tax; with an ex gratia payment, the tongue-twisting standard capital superannuation benefit (SCSB) can come into play to provide the outgoing employee with a tax free lump sum in excess of £10,000.

(The SCSB is based on the last three years' salary, divided by 20, but minus any cash commutation benefits which can be as much as 11 times salary—from the company pension scheme.)

The Revenue believes that there is no good reason for maintaining this distinction, with all the shifts and turns that employees facing redundancy resort to in getting part of their redundancy classified as loss of office and the other part ex gratia.

But if the distinction is withdrawn it puts an even greater onus on the Revenue to do something about the £10,000 tax free threshold. Although the consultative document did not mention what a new threshold could be, it is clear from the paper that a substantial in-

crease in the £10,000 level coupled with a new method of taxing the outstanding balance would remove most of the inequities of the present arrangement.

Tax-slicing relief on the balance of £10,000 divides the redundancy payment by six; tax is calculated on this sum—plus any income received subsequently, be it investment income from redundancy proceeds or earnings from a new job; the tax due is then multiplied by six. Little or no tax will be paid on redundancy payments up to £23,000—provided that another job is not taken during the remainder of the tax year.

Ironically, people with much bigger handshakes and good tax advisers may at present be better off than the average steelworker. For there is little doubt that taxation of golden handshakes is, in some circles, regarded (like the old estate duty) as a voluntary tax.

A man with a £40,000 pay-off will, with top-slicing, pay very little tax on the balance of £30,000 once his married man's allowance, mortgage interest relief, trading losses, leading arrangements or first year allowances on a new business have been deducted to arrive at a redundancy sum which is actually subject to tax.

So the most likely outcome in the Budget is that the threshold will be raised to either £15,000 or, optimistically, £20,000 and that instead of top-slicing, half the balance will be subject to tax, regardless of years of service. Additionally, a modest sum, say £500, could be added to the threshold for each year of service.

Such a system would be simpler for everyone, taxmen included, to understand; by making timing irrelevant, it would prevent the unsuspecting from falling into the second job trap; and it would reduce the scope for tax avoidance. Once over the threshold every one would have to pay some tax on their redundancy payments, but on extra income received that financial year tax would no longer have to be paid at the rate of 180 per cent.

A testing time for shareholders

A long list of blue chip companies—large industrial groups which have become stock market institutions—have now begun reporting their earnings with Guest, Keen and Nettlefolds last November and continuing through Courtaulds and Metal Box to Fisons. Profits have either plunged or given rise to losses, and the latest to report a cut dividend last Thursday.

The next few months will test the nerves of many shareholders, both institutional and private, as the company reporting season gets into its stride. There is a danger that the damage they will report will give the public an impression of industry reeling rather than recovering. That impression would be wrong. It should be remembered that the companies will be reporting on months already past. It is their ability to profit from the future that will count.

The industrial sample used by stockbrokers Phillips & Drew shows that business was still working flat out in the first three months of last year and gross actually rose by 8 per cent.

In the second quarter they slipped by 14 per cent. But in the final three months of last year the annual rate of decline had reached 49 per cent. The year on year decline was 20 per cent.

Naturally this sequence becomes more scrappy as it becomes more recent. Many industrial companies have still to report on their final quarter. But the trend is clear. As the broker points out, turnover last year probably rose by 10 per cent. If so, the average pre-tax margin in 1980 narrowed from 7 per cent to 5 per cent.

Clearly profits are in danger of vanishing altogether if trade goes only a little worse, but by the same token they could jump just as strongly if things got better.

But most companies did manage to make profits last year. Imperial Chemical Industries is not a typical industrial group. It is far larger and more diversified than any other chemical concern in the country—companies like Fisons, Laporte and ROC International are specialists by comparison—and the profits of chemical companies swing more wildly than those of industry in general.

Even so some general themes stand out. Industry worked flat out as last year began but after that the drop in demand was steep which in gross domestic product in the first half year. As it happened stocks were exceptionally high in 1979 when industry deliberately built them up to get tax relief before running them down again. So it was brutal when it came. High interest rates made matters worse.

There are several reasons why company profits should grow this year. If minimum lending rate falls to 11 per cent, interest charges should drop by a third. If, as seems likely, companies wrote off their reorganization and redundancy costs last year profits this year will catapult by their simple omission.

So far industry has shed one in nine workers during the recession. Assuming a cut in labour force of one tenth, Phillips & Drew calculate that with wage costs about 30 per cent of sales and the average pretax margin in the United Kingdom probably less than 5 per cent, a cutback of this size increases pretax profits by more than 60 per cent.

Exactly when economic activity will start to revive will depend as much as anything on when industry is confident enough to rebuild stocks. Stockbroker Wood, Mackenzie sees destocking tailing away this year and restocking getting under way next. de Zoete & Bevan expects stock building to start again shortly.

The Budget is to come which may cut industrial costs directly through a reduction in national insurance contributions, as well as indirectly through a cut in MLR. And a fall in the pound makes exporting and overseas earnings more profitable.

With inflation still slowing down for several months companies will this year be well placed to restore inflation-adjusted as well as historic or "money" profits. The outlook, then, is for recovery this year and quite possibly a boom in 1982 which is why the stock market is ignoring the worst sounding profits have taken since the end of the last war.

Peter Wainwright

Business Diary: Hearth and home • Lydian mode

Anybody want some fire-blackened bricks which, put back together, could be described as the fireplace in which started the Great Fire of London?

This is an offer from Rodney Leach, the general manager of Trade Development Bank, due to move from its present City premises in Aldermanbury to new offices being built in Pudding Lane close by the Monument which commemorates the Great Fire.

Pudding Lane is where the Great Fire is thought to have started in 1666. Leach, who both read and taught classics at Oxford, provided not only the permission, but with the City Corporation, the funds for the Monument site to be excavated by the Museum of London.

The problem is that the museum is already check-a-block with treasures from the site, whose Roman, Saxon, Medieval and other finds have been described by dig supervisor Gustaf Milne as "a rich archaeological sequence unparalleled on any other London site".

Leach, classicist though he is, wonders whether as a banker it might be a bit much to erect in TDB's foyer a display which implies "Your whole investment could go up in smoke".

Business Diary, however, Mrs Leach and TDB should say "Re erect and be damned!" at the Monument site, and let the half of the space the bank does not want to the 28 firms in the London commercial telephone directory boasting the name "Phoenix".

For the first time a woman has been appointed to the board of one of Hongkong's leading Hong (leading business firms)—the Suiro Group.

She is Lydia Dunn (right), who last year was also the first woman to be appointed to the council of the British-founded Trade Policy Research Centre.

Miss Dunn is the daughter of a former tea merchant in China who became a printer and trader in Hongkong. She is already managing director of Suiro and MacLaine, a director of John Suiro—both members of the Suiro Group.

She graduated with a degree in business administration from the University of California, Berkeley in 1963.

She set a precedent in 1970 when she was the first woman and the youngest person to become export manager of Suiro and MacLaine, the trading arm of the parent company.

Carrefour Hypermarkets claims to have found the Office of Fair Trading being unfair both to traders and to the public. The nub of the complaint is that in a recent leaflet entitled *There's more to credit than just HP*, the OFT ignored interest-free credit schemes which Carrefour, among others, operates.

The OFT leaflet attempted to explain the various forms of credit available and to help consumers compare their cost. It described bank credit cards as "top of the pops". Carrefour says its interest-free credit gives the public a much better deal.



The Trade Policy Research Centre sought her out after an attack on developed countries for restricting imports from Hongkong and other developing countries which she made at the International Conference on Trade in Textiles and Clothing in Brussels last May. Miss Dunn is the centre's first

Asian as well as first woman councillor.

As a member of the financial committee of the Legislative Council which governs Hongkong, she is known for her vigorous opinions, particularly that there should be "less" rather than more government.

"Civil servants are efficient administrators within the constraints of the public service and they develop a knack of minimizing the influence of these constraints or avoiding them," she has argued.

"But when they have to manage enterprises on a commercial basis they are caught between civil service regulations and attitudes on the one hand and the dictates of business principles on the other." The result is often unsatisfactory.

Not surprisingly, she is often referred to as "Hongkong's Mrs Thatcher", which, in Hongkong at least, remains a compliment.

Unaccustomed though it is to public publicity, the Japanese government is having a discreet laugh at recent figures from the International Labour Organization.

The ILO, a United Nations body, has found in a recent study that the Japanese now work fewer hours than United Kingdom workers who are always complaining about unfair competition from Japanese workaholics.

In 1979, the ILO found, Japan applauded "Japanese workers put in average of 40.7 hours a week, three hours and 20 minutes less than the Brits

flourished between 1834 and 1854, was the third editor of the *Glasgow Herald*. He was a lawyer and does. A portrait of old George hangs in the *Glasgow Herald* boardroom. In it George is seen in a Napoleonic pose, reinterpreted, in view of recent events by staff as merely reaching for his wallet.

Apologies for my recent piece on visiting cards, Denis MacShane of the International Metalworkers' Federation writes from Geneva to applaud the professionalism of Fritz Hauser, the West German labour attaché in Washington. Hauser's card bears on the reverse side a sentence showing it to be printed by "Union Drucker, the printers of the German Unions, fully organized."

Ross Davies

You ate more fruit We got healthier

Glass Glover has even healthier fruit and vegetables in the year 1980. September 1980, both fruit and vegetables were up 23% with price rises of 10% and 15% respectively.

With a turnover of £37.4 million, Glass Glover is one of the country's largest producers of fresh fruit and vegetables, acting as the link between home and overseas producers and the nation's supermarkets and chain stores.

With the latest growing and more importance in fresh produce, Glass Glover has expanded its share of this growing market, reaching years and has achieved record sales and profits in each of the last five years.

With good lighting, good products and an efficient distribution system based on a "first-priority" policy, the group expects to become healthier than ever in the current year.

To find out more about the Group's performance and prospects, please write for a copy of our Annual Report to the Secretary, 9 Flaxley Court, London, WC2E 9JY.



GLASS GLOVER GROUP

Food Distributors and Importers of Fresh Fruit and Vegetables



Hongkong's reexports top £251m

Hongkong's vital reexport trade soared to a record HK\$3,000m (£251.6m) last year, an increase of 50 per cent over 1979. China has become the number one market for Hongkong reexports and the number one source of reexports abroad via Hongkong.

Reexports to China rose from HK\$1,310m in 1979 to HK\$4,540m (an increase of 253 per cent) and its own exports via Hongkong from HK\$5,660m to HK\$8,390m, a 48 per cent increase.

The boom is a further indication of the importance of Hongkong to China and enhances the growing cooperation to mutual advantage between the two former "colonial" neighbours.

US car sales

With showrooms brimming with unsold cars, United States manufacturers are cutting their first quarter production schedules again in an attempt to reduce stocks. Hopes are that inventories will be reduced to a point that even if sales nose-dive after new rebate programmes end in mid-March, dealers will have room for cars assembled in March.

Swiss liquidity

Following the Swiss National Bank's latest discount and Lombard rate increases, banking liquidity in Switzerland rose strongly towards the end of February, and banking industry sources said the approach of the monthly settlement date appeared to outweigh other factors in influencing the activity.

Syria trade expands

Despite strained relations with the Soviet Union, Syria has been expanding its economic ties with the West. Dozens of European companies are involved in projects in Syria, and officials there are hoping that the volume of trade with the West will continue to expand.

Belgian deficit

Marc Eyskens, Belgian finance minister, said that the public sector's financing needs this year were likely to climb to BF7,000m (£8.9m). Much of this would have to be met by foreign borrowings, and this would put further strains on Belgium's deteriorating balance of payments.

Shorter shifts at VW

Volkswagenwerk the West German car maker, said that it was planning to introduce shorter shifts at its transmission plant in Kassel, sometime in April. A spokesman said plans were to cut back work for about a week.

S Korea jobless

South Korea's unemployment rate averaged 5.2 per cent in 1980, the second worst level since 1967, when it stood at 6.2 per cent, the national bureau of statistics said. The number of jobless was 749,000 for 1980, up from 542,000 in the previous year.

\$6,700m budget

China's budget deficit exceeded \$6,700m (£3,004m) in 1980, the magazine Peking Review said. The Government's original estimate was for a deficit of \$5,300m.

Citroën lay-offs

Peugeot's subsidiary Automobils Citroën said that it plans an average two days of lay-offs at all its factories in March, affecting about 30,000 of its 54,000 workforce.

Incomes Data Services looks at public and private organizations

Defining changes in managers' pay

Incomes Data Services (IDS), the researchers specializing in pay and conditions of employment, yesterday launched a new service for those needing to pinpoint changes in management pay which IDS describes as "a jumble of contradictory information".

The first monthly report from IDS's new Top Pay Unit attacks suggestions that directors' salaries have risen nearly 40 per cent—while also letting in some light on top people's salaries at the Post Office, the National Coal Board and 13 organizations in both private and public sectors. Average annual salary increases for directors are probably less than 20 per cent in most cases, according to the review. It dismisses as "far from conclusive" an analysis in *BB Money Programme* suggesting that increases in chairman and chief executives' salaries had been 39.9 per cent.

The BBC's sample of 50 top companies was small and selective, argues the review. It was based on data from annual reports and reflected total remuneration, including bonus payments, rather than just

salaries. Given the source, with reporting time lags, the aggregate levels reported in 1980 would have reflected rises in 1979 when pay was recovering from a period of pay restraint.

Two more recent and extensive surveys suggested the IDS conclusion about the level of average salary increases. One—by Charpentier—reported a median increase of 13.6 per cent. But the review added: "Although good information is available on the levels of directors' pay, percentage increase figures are frequently suspect. There are many critical variables determining salaries, including types of directorship, the industry involved, profitability, and especially the size of company."

The review's initial researches have thrown up more than 100 sources of surveys on salaries and benefits as well as information from government and other public sector areas. The data has proved of astonishing diversity, much of it suspect and non-comparable and in need of qualification, according to Mr Mark Layton, the review's managing editor who is also a director of IDS.

The review at first will be able to do only limited original research of its own, although analyses based on job advertisement data is a possibility. But a start has been made on tracking changes in management salaries at individual companies on which there are reports. These showed that in a number of cases managers received salary increases in line with shop floor rises. It is too early yet to see a pattern on such trends, Mr Layton said. At the Post Office at the end of last year, for instance, the top management band had a 15.1 per cent rise compared with an arbitration award for other levels of between 20.5 per cent and 23.6 per cent. At the National Coal Board, however, managers received almost the same rises as the miners, with the January settlement—3.73 per cent on salary scales and 13.2 per cent on bonus payments. But there had been downward pressure on management salaries previously, the review points out.

Top Pay Review, monthly by Incomes Data Services, £45 annual subscription.

Derek Harris

CEGB threat to halt coal supplies deal

By Our Energy Correspondent

Talks aimed at reducing the Central Electricity Generating Board's coal imports next year have started with the National Coal Board, Sir Derek Emswiler, the NCB chairman, said yesterday.

The CEGB has given a warning that it would end its agreement to take 75 million tonnes from the NCB annually over five years if it is not effectively prevented from importing coal.

Its imports next year are expected to fall from 5½ million tonnes to 3½ million tonnes as a contract for deliveries from the United States ends, but the CEGB is keen to maintain its contract for coal from Australia.

But Sir Derek told the Coal Industry Society that he hoped that with the support of government and the electricity authorities it would be possible to switch gradually from imports to home-produced supplies.

Reduction of imports of

nearly 8 million tonnes in total is one of the main demands of the National Union of Mineworkers to reduce the financial pressure on the coal industry and to prevent a programme of accelerated pit closures.

Miners threatened to call a strike ballot and some areas took unofficial action after the coal board introduced a programme of 23 pit closures last month to ease the effects of the recession.

This plan was withdrawn as the Government indicated that it was prepared to ease the constraints on the industry imposed by cash limits and the 1980 Coal Act.

Sir Derek said yesterday that he was pleased the Government had recognized the need for a change in the board's financial base to create the conditions for future expansion.

With Government approval the board had set up a working party with the unions.

MPs to question BL chief on cash plans

By Edward Townsend

Sir Michael Edwards, chairman of BL, is to appear before a Commons committee on Thursday to explain the company's financial plans. The hearing will take place two weeks ahead of the company's expected announcement of a £400m loss for 1980.

The all-party Industry and Trade Committee will question Sir Michael on BL's four-year corporate plan which is being financed for the first two years with £390m of public money.

The BL board has said already that a further £150m will be needed to fund developments in 1983 and 1984.

MPs will want to know from Sir Michael whether he expects this sum to come from government or private sector sources.

BL's results for 1980 are expected to be disclosed on March 20. The losses follow the deficit of £122.2m in 1979 and a profit of £1.7m in 1978. BL

has told the Government that it expects to break even in 1983 and become profitable the following year.

Mr J. Keith Joseph, Secretary of State for Industry, told the committee two weeks ago that the Government was "appalled" at the cost to the taxpayer of funding BL. It was hoped that the company would raise future finance from depreciation, profits, the private sector and from collaboration deals with other motor companies.

He considered that questions relating to BL's management and future marketing plans should be addressed to Sir Michael.

The chairman probably will tell MPs that the company's financial estimates for last year were disrupted by the continuing high sterling exchange rate, which had hit export sales, and by high interest rates.

The latter are thought to have cost BL about £100m last year.

Technology News

Europe protest over spacecraft cancellation

The European Space Agency (ESA) has protested strongly to the United States National Aeronautics and Space Administration (NASA) at the decision to cancel an American spacecraft which was to have formed part of a collaborative two-spacecraft project.

Planned launch date for the project, known as the International Solar Polar Mission (ISPM) was 1985. Cancellation of the satellite was attributed by NASA officials last week to severe spending cuts imposed on NASA in the preparation of the Reagan Administration's federal budget.

At a joint meeting, officials of the European agency protested that the cancellation, which was made without consultation, was a unilateral breach of the Memorandum of Understanding between the two agencies. The cancellation was therefore unacceptable to ESA, which requested full restoration of the programme to its original level.

Unilateral actions of this kind, ESA stressed, would be detrimental to future space co-operation between Europe and the United States.

As a result of the cancellation, European scientists from about 17 research institutes who were supplying experiments for the NASA spacecraft would be unable to fly them. The experiments were already in an advanced stage of development; more than half the total costs had been committed and so would be lost without corresponding scientific return. ESA's board of management resolved to take "immediate and strong action". This has included asking all ESA member states to protest against the decision through their embassies in Washington. The agency is now awaiting the outcome of this.

The second satellite in the project is being built by a Euro-



Cutting through 13mm steel plate with an abrasive-carrying water jet at Cranfield.

pean industrial consortium led by Dornier of West Germany. The aim of the coordinated flights is that the two craft would obtain complementary scientific information about the sun.

Steel cutting in emergencies

Significant advances in water-jet cutting and cleaning technology have been disclosed in the annual report of the British Hydromechanics Research Association (BHRA) at Cranfield. These include the development of an emergency water-cutting system for North Sea oil and gas production platforms.

This project is being carried out by BHRA for British Petroleum. The aim was to design a system which could be used to gain access to closed areas on platforms in an emergency, and which would also cut debris to assist in its removal.

This steel-cutting system will form part of the standard equipment on board an emergency support vessel. The technique which BHRA

is applying for this task has been developed with support from the National Research Development Corporation. It involves the mixing of cheap abrasive with water in a jet which can then be used to cut hard materials at pressures which are not excessive.

Using this method, 13mm (about half an inch) thick mild steel plate has been cut at speeds greater than 100mm per minute, at a pressure of 690 bar. Tests have indicated that a 50 per cent increase in pressure should enable twice the thickness of material to be cut, assuming a fixed rate of traverse.

To reduce the risk of the abrasive particles generating sparks during the cutting process, the jet is supplied to the cutting head already thoroughly wetted in the form of a slurry. The safe operation of the head has been checked in explosive atmospheres of hydrogen/air and methane/air in a recent series of trials.

As well as steel, these trials included cutting in sandstone known to produce dangerous sparks when cut by conventional mechanical means.

No ignition of the gas occurred during cutting with the abrasive water jet.

Carbon fibres for Airbus

A demonstration Airbus Industrie A300 aircraft is now flying with a rudder made of carbon fibre reinforced plastic (CFRP) in place of the standard light-alloy structure. Measuring over eight metres long and two metres wide, the new rudder is the largest single carbon-fibre element undergoing trials on the aircraft at present.

Its weight-saving over the conventional metal rudder is 45kg or about 20 per cent. Performance of the unit is being studied in a programme of flight tests, and a second composite rudder is expected to begin in-service testing on a Luftansa A300 next month.

The use of such elements is part of a weight-saving programme on A310 and A300 aircraft aimed at achieving a higher payload.

Kenneth Owen

French-style loan plan urged for small firms

By Peter Hill

The Government is being urged to consider deploying a loan scheme directed at small businesses modelled on a highly successful scheme developed in France.

Sir Keith Joseph and other ministers have been asked to consider introducing the scheme as the major feature of its attempts to stimulate small business investment and growth. A number of other EEC countries are considering similar schemes and consideration of a similar venture is being studied by the Reagan Administration in the United States.

The French scheme is designed to provide assistance to industrial and commercial companies whose annual turnover does not exceed £35m and which employ up to 500 workers. Loans are made on a Credit National with a minimum life of 15 years and a maximum of 20.

The scheme is directed especially at developing products, markets, techniques and the provision of new jobs in areas of high unemployment. The mechanism used in France is to subordinate the Government loan to rank after all other creditors, and thus place it alongside all other shareholders in a company.

There are repayment holidays of up to five years and an initially low interest rate.

Sir Charles Villiers, chairman of BSC (Industry) the corpor-

ation's job creation subsidiary, which faces an enormous task in promoting the attraction of new industries to areas where the BSC is running down its activities, said yesterday that over the last two years the French Government had provided £80m in participative loans through Credit National to companies in the main French industrial areas.

Sir Charles has suggested to ministers that if the scheme was adopted in the United Kingdom it could be described as the subordinated loan scheme with loans being issued by the Scottish and Welsh Development Agencies, out of their existing financial allocations.

Funding for the assisted areas of England would be made by another agency, possibly the National Enterprise Board.

He said: "The scheme would not require additional financial provision and it would not replace existing grant schemes. The subordinated loan is not intended as a subsidy but as a financial instrument in its own right."

The loan would constitute a cumulative redeemable preference share and it would offer some competition to banks and other City institutions in their existing plans for capital investment in small companies.

Sir Charles has suggested that the use of subordinated loan should be restricted to develop-

LETTERS TO THE EDITOR

The affair of the Lloyd's Bill

From Lord Napier and Ettrick
Sir, The chairman of Lloyd's, Mr. Peter Green, has recently written to all the underwriting members of Lloyd's seeking inner alia, to justify the inclusion of Clause 11 (the legal immunity clause), in the Private Bill shortly to be considered by Parliament.

I was a member of the Sasse Syndicate No 762 at Lloyd's. Mr. Green has publicly admitted that "grave irregularities had occurred in the affairs of this syndicate" and hence the Bill has been put about in certain sections of the press that this settlement was some kind of rescue operation. It was, of course, nothing of the sort. It was a settlement, offered at the instigation of Lloyd's, out of court. It was accepted by the names concerned, thus saving Lloyd's from the appalling embarrassment of the whole fiasco coming out in open court—

which it would have done, no doubt causing irreparable damage to the good name of Lloyd's throughout the world.

As part of the settlement over £5 million was left as "bad underwriting", and this was readily accepted by the one hundred odd names on this syndicate. None of the names denied the principle of limited liability; what the litigants in the Sasse case were questioning was how much of a loss in excess of £21 million was there legal liability?

Lloyd's are now putting forward the argument that the proposed new Bill was approved

at an extraordinary general meeting of the members in the Albert Hall last November by some 99.57 per cent. What was agreed at that meeting, which I attended, was the principle of a new Bill to give Lloyd's powers to better order its own affairs. The details of the Bill were not disclosed until some time later.

I do not believe that any future disgraced name could ever sue the committee simply for bad underwriting. Lloyd's could only be sued if they had been in breach of their duties, either statutory or contractual, owed to the name. If Lloyd's have behaved properly they have nothing to fear in the courts. On the contrary, they would be vindicated. Of course the position would be different if in fact they have behaved improperly.

It seems to many of us that Lloyd's are now seeking to place themselves above the law. Should this come to pass, then I believe it would be prudent for every name to reconsider his or her own position most carefully with a view to deciding whether they wish to continue as underwriting members of Lloyd's—and it is, after all, a fact that without the financial backing of the external names, Lloyd's would cease to function.

I am, etc.,
NAPIER & ETTRICK,
House of Lords,
February 26.

From Mr David Charlesworth

Sir, Further to your Business Diary profile of Lloyd's of

Gas bill complaints

From Mr Raymond J. Hill

Sir, The British Union of Social Workers feels that the decision of the Gas Board to impose standing charges on the users of gas meters is yet another blow against the most vulnerable members of our society, and that this is another example of Government interference in the running of nationalised industries specifically designed to kill off those who are likely to make demands upon other services.

The imposition of this charge could mean the difference for the elderly on a fixed income between adequate heating and death from hypothermia.

We in the British Union of Social Workers feel that we must protest against this short-sighted action.

Yours faithfully,
RAYMOND J. HILL,
General Secretary,
British Union of Social Workers,
5 Sardinia Road,
Haringey,
London, N8.
February 19.

From Mr J. W. Richards
Sir, The "robbery" of the gas standing charge referred to by your correspondent, and the

anomaly which enables it to be avoided by the installation of a coin meter, pales into insignificance beside the extortion practised by the British Gas Corporation in applying their charges for certain domestic premises.

I am one of a cooperative of six flat owners whose annual gas bill is of the order of £2,000 a year.

One meter serves all flats and we share the bill. Charges to us are made at the commercial rate of 26.1p per therm. A complaint to North Thames Gas that we should be charged at the domestic rate (24.6p for the first 52 therms and 21.2p thereafter) elicited this reply:

"... the British Gas Corporation specify that the 'gas supplied under the Domestic Credit Tariff may be used only in a private residence not subdivided into separately occupied parts' and your premises do not qualify for this tariff."

A formal request to the chairman of the British Gas Corporation for an explanation of this irrational and inequitable ruling remains unanswered.

J. W. RICHARDS,
17 Palace Gate,
London, W8.
February 26.

Looking back in amazement

From Mr R. Williams

Sir, The debate continues on how the revenues from North Sea oil should be spent to the best advantage—let us hope that a sensible and acceptable solution is soon reached.

Meanwhile, I suggest that posterity will look back on this period in our history with amazement and disbelief—disbelief that the Government have failed to utilize this fantastic piece of good fortune for the benefit of our own people and our industry, by accepting a lower level of taxation on oil

and gas for United Kingdom consumption and passing on the immense benefits of lower prices to the inhabitants of these islands, as the Americans have done for decades.

Not only would we now be enjoying a considerably lower level of inflation, but our industry would be in much better shape, and much more competitive as a result of lower costs and lower prices.

Yours faithfully,
REG WILLIAMS,
Pinerees,
North Road West,
Hythe,
Kent.
February 16.

Wealth and unity

From Mr B. Barker

Sir, This Institute is a good example of the professional institutions to which the chartered Southern Electricity referred (February 20) in his appeal for a closer understanding between the public and private sectors of the economy based on their interdependence.

Seventy per cent of chartered secretaries work in the private sector and thirty per cent in the public. At our branch meetings and conferences the health service administrator rubs shoulders with the company secretary and the electricity board administrator with his opposite number in the industry. This is one of the many advantages of being professionally qualified.

In 1980 our qualification was recognized in the Companies Act as being appropriate for the secretary of a public limited company; in 1981 we are being recognized as providing the appropriate qualification for administration in local government.

We firmly support Mr Wedgwood in his view that bridges need to be built and maintained between the sectors. Why should we be so concerned about ownership? What matters is cost effective performance leading to the creation of wealth and jobs. Envious sniping of one at the other can only distract and damage.

At any rate, chartered secretaries are the same wherever they are employed—and so are other professional people. We accept the aims which Mr Wedgwood has described and the responsibility which follows from that acceptance.

Yours faithfully,
B. BARKER,
Secretary and Chief Executive,
The Institute of Chartered Secretaries and Administrators,
16 Park Crescent, London, W1N.

THE UNITED STATES AND GENERAL TRUST CORPORATION, LIMITED

The Ninety-first Annual General Meeting of the United States and General Trust Corporation Limited will be held on March 26th in London.

The following is comment by the Chairman, Mr. C. K. R. Nunneley, included in the Report of the Directors which has been circulated to shareholders:

The retirement of Bill Merton on 31st December, 1980, after four years as Chairman, leaves a gap which will indeed be difficult to fill. His knowledge, charm and courtesy have been of the greatest value to his colleagues and we will all miss him very much.

His final year was a profitable one for the company's shareholders—remarkably so in the circumstances of the world economy. Against a background of deepening recession, worsening unemployment, spiralling interest rates and high inflation, investors appear to have decided that equity investment offered real hope of maintaining real wealth among the stockmarkets of any size, only that of Belgium failed to show a positive overall return in local currency terms. For a UK investor, however, the strength of sterling reduced returns from all overseas markets except Japan and, in particular, made investment in Continental Europe generally unattractive. In these circumstances your Board have continued to invest the bulk of the company's assets in the UK and the rise of 32.9 per cent in net asset value per share compared favourably with the major indices: the FT Actuaries All Share Index rose by 27.1 per cent, while the Standard and Poor's Composite Index in the USA and the Tokyo New Stock Exchange Index in Japan each rose by 17.0 per cent in sterling terms.

The decision by the Chancellor of the Exchequer to exempt investment trust companies wholly from corporation tax on capital gains from 1st April, 1980, was welcome. By encouraging more active investment policies, and by making the shares more attractive to tax-free institutions, it has been one of the forces behind the reduction of the average discount on investment trust assets values from 33 per cent to 25 per cent during 1980; this improvement was reflected in the price of the Company's ordinary shares.

Growth of income has been better than expected. Excluding from the 1979 figures the large non-recurring dividends of 1.63p per share in November, 1979, net revenue available for ordinary shareholders rose by almost 19 per cent in 1980. This enables your Board to recommend a final dividend of 6.50p per share, making 10.5p for the year, which is slightly greater than the total amount of 10.29p per share received by shareholders in 1979, including the special payment, and an increase of 22 per cent in the normal dividend.

The prospects for an increased income in 1981 cannot be said to be encouraging, particularly in the UK, and any change in our investment policy aimed at raising the overseas percentage of the portfolio could reduce the overall yield. However, your Board see no reason at present why the current dividend should not be maintained.

HOW MANY OTHER SPECIAL DEVELOPMENT AREAS CAN MATCH THIS OFFER?

1. A new factory, rent free for 2 or more years.
2. A skilled workforce trained for your business.
3. A free consultancy study of your project.
4. Generous Government Grants.
5. European Loans way Below bank rate.
6. Flexible services and support from BSC (Industry).
7. A free specialist team to make your project happen.

The truth is, if you're thinking of expanding or relocating your business, you can't afford to ignore an offer like this.

It's so generous only 5 areas in the whole of the U.K. can afford to make it. And, of these, Motherwell is the only one that can claim a central position in an important market like Scotland.

As if close proximity to Glasgow and Edinburgh, 5 universities, 3 international airports and some of the loveliest countryside in Britain wasn't incentive enough!

To find out all that Motherwell and this Special Offer can mean to you, redeem the coupon or phone Keith Eaton at Motherwell (0698) 59443.

CLOSE ON
90%
OF THE FIXED ASSET COST
OF YOUR
NEXT FACTORY PROJECT

Name _____
Address _____
Company _____
Address _____
Postcode _____
Tel. _____

MOTHERWELL INDUSTRIAL EXECUTIVE
41-43 Queen's Road, Motherwell ML1 1TP

MOTHERWELL INDUSTRIAL EXECUTIVE
A central position in an important market

50
البريد

FINANCIAL NEWS

AID Group
takes stock
after first
public year

By Our Financial Staff
Allied International Design Group, which came to market a year ago, makes part of its profits from suggesting new products for others. It is the principal growth offset of a four-arm group that takes in corporate image making, design and market research.



Mr. James Pilditch, chairman of Allied Industrial Design group.

It has already suggested that Limmits, the slimming biscuit maker, could expand with an aerosol spray called Spray and Fry which costed in fat. Some 15 months ago it suggested other DIY products for Rawplug and further steel-related products for Sheffield cutlery makers.

Mr. James Pilditch, chairman of AID, says that companies that have an excellent name restrict themselves to only one product and need suggestions on the way to exploit the name with other goods. For that they pay AID Group between £50,000 and £120,000 in fees.

This sort of innovation by its six-man team, of a total staff of 85, pushed profits for the seven months to the end of last October to £46,500 against a loss of £58,000 in the whole of 1979.

AID Group came to the 163(2) market and it now on the Unlisted Securities Market, via a reverse takeover of the United Rubber & Coffee Plantations (1932).

To give some comparison of the group's progress, AID has produced figures which show the contributions of its two acquisitions during the period, on an annualized basis.

That gives a pretax profit of £205,000 against £100,000 on turnover of £1.6m against £1.2m. But the group is paying no dividend. Owing to a £60,000 adverse balance on the revenue reserve of United Rubber, the group is precluded from a payment.

It says that it intends to recommend a dividend this year, although it has yet to decide if this will begin at the interim stage in April or the full year in October.

Smith Whitworth
and Vickers
settle claim

Smith Whitworth's litigation with Vickers over the sale of Roevac Automation has been concluded at a total cost of £110,000.

Vickers made a total claim in August 1978 of more than £400,000, but the claim has been settled by payment of £40,000 relating solely to a shortfall in the net asset position as warranted at completion. The steel fabrication and textile machinery group added that £70,000 of irrecoverable costs have resulted from the litigation.

Before the action a sum in excess of the final settlement was paid into court and there will be no material effect on the future liquidity or earnings of the company.

Bank Base
Rates

1980/81	1979/80
High	Low
ABN Bank	14%
Barclays	14%
BCCI	14%
Consolidated Credit	14%
C. Hoare & Co.	14%
Lloyds Bank	14%
Midland Bank	14%
Nat Westminster	14%
TSB	14%
Williams and Glyn's	14%

* 7 day deposit on sums of £10,000 and over 11% up to £50,000 12% over £50,000 12.5%.

Payout cut as profit
slumps at Blagden
& Noakes

By Margaret Pagano

More than halved pretax profits and a lower final dividend payment are reported by Blagden & Noakes, the steel drum, plastic and chemical manufacturer, whose biggest customer is ICI.

Group profits dropped to £2.5m in the year to December against a record £3.85m last time. Sales fell to £50.2m from £61.2m. The final dividend has been cut from 6.7p gross last year to 4.23p, making a total for the year of 8.5p gross against 11p. The shares tumbled 5p to 95p on the news yesterday.

Although the steel strike affected trading in the first half, the real decline came last spring when at one time demand was down by 35 per cent for the group's steel drum products. Mr. Jack Noakes, the chairman, said, in the first six months the group made pretax profits of £2.09m leaving only £500,000 profits reported in the second half.

The reduction in demand for steel drums, about half of total sales, and plastic mouldings for the motor industry continued through the year. Trading profits from drum manufacture were down to £1.3m against £3m, and plastic mouldings lower at £356,000 compared with £1.6m.

William Press to form
new holding company

By Catherine Gunn

The directors of construction group William Press & Sons are to form a new group holding company under the William Press name, in order to separate group management from the trading subsidiaries, and pave the way for future expansion abroad.

Shareholders of William Press & Sons are to be offered one fully paid 10p share in the new holding company, William Press Group for every two 5p shares they now held. The company is also offering to buy back any outstanding preference and loan stocks, for a total cost of £1.2m.

Preference shareholders are being offered 73p a share. Holders of the 61 per cent loan stock will get £26.50 cash for every £100 nominal of stock, and holders of the 8 per cent loan stock get £83.50 for every £100 of nominal they own.

A second interim dividend will be paid to shareholders in August, in place of William Press & Sons' final dividend for 1980. Preference and loan stock holders will receive all interest due to them at completion date, which should be some time in mid-May, Mr. William Hawken, the chairman, said yesterday. Details will be posted to shareholders in mid-March.

Mr. Hawken said the company would like to expand its interests in energy production and downstream plant and make direct acquisitions abroad. He said it would also make more trade investments like the small stake recently built up in French Kier.

The scheme must be approved in the Chancery Division of the High Court. Proceedings taken against the company by the Inland Revenue over PAYE payments come to court on April 27.

Kenana, which lies about 150 miles south of Khartoum, is now controlled by Arab shareholders.

Inchcape offshoot improves

Pretax profits of Inchcape Berhad, the Singapore subsidiary of Inchcape & Co of London, rose from \$69,000 (Singapore) to \$110,000 (£23,000) in the year to December 31. Turnover rose from \$984,500 to \$1.3m.

The improvement comes in the main from greater penetration of the buoyant car market by the Inchcape Berhad Motor companies.

TNT up 24pc in first half

Net profits of Thomas Nationwide Transport of Australia rose by 24.5 per cent to AS\$25.9m (£13.6m) in the six months to December 31. Turnover rose to AS\$47.4m from AS\$35.6m the year before.

Sir Peter Ables, the chief executive, said that the increase in profits was assisted by additional earnings from Ansett Transport Industries and also from McIlwraith McEchegar.

Profits from Australia and the United Kingdom were better, those from Canada and New Zealand were steady while a loss was incurred by the transatlantic shipping service, Trans Freight Lines.

Syntex sharply higher

Earnings of Syntex Corporation of Palo Alto, California, rose by 32 per cent to \$47.8m (£21.9m) in the six months to January 31 on sales 25 per cent higher at \$344.2m.

Human pharmaceuticals and diagnostic assay systems were primarily responsible for re-

Short-time working had been introduced in many plants and continues in specific concerns, and over the year some 200 redundancies were made from the workforce of 2,000. Results include £186,000 for redundancy payments.

Mr. Noakes said the main reason for the reduction in profits is the pressure on margins from rising costs. Sales figures for the second half indicate £1.6m from Carrell Blagden, no P & N Chemicals, where the group bought out the 75 per cent of the equity it did not own for £500,000. Its contribution to profits was small.

The chemicals division saw sales slightly ahead at £13.8m but trading profit lower at £446,000 against £612,000. Improvement is looked for from the new £1.5m formaldehyde plant—making resins, fertilizers and disinfectants—which is expected to open on schedule in May and should boost the division in the second half of the year.

Mr. Noakes says that some trading areas have shown sparks of recovery, the result of the end of destocking. In recent months demand for steel drums appears to have stabilized. Otherwise, he said, the outlook for the year was impossible to predict.

Prince of
Wales group
acquires
Variety Inns

By Our Financial Staff

The Southport-based Prince of Wales Hotels group yesterday revealed it has a conditional contract to purchase the private Variety Inns group for a total of £955,000 in a mixture of shares and cash payments.

The group, which operates hotels in Southport, the Lake District, Brighton and elsewhere, announced yesterday that it had acquired the whole of the issued share capital of Variety Inns, which runs the Arnos Court hotel in Bristol and the Cambridge Hotel in Canterbury, and also holds 75 per cent of the issued capital of Martins Taverns which operates the Crown Inn in Cheltenham.

The total consideration is £955,000. Some £617,000 is to be paid by the allotment to the vendors of 350,000 new ordinary shares—representing 19 per cent of the enlarged share capital. Three loan notes of £233,000 guaranteed by the County Bank and redeemable in 1983 and a cash payment of £104,500 make up the remainder.

The share price jumped 8p to 82p on the news.

The three properties, all tenanted, were valued in December 1980 at £1.6m, including fixtures and fittings. The addition of the hotels brings the Prince of Wales' total number of hotels to 11 and two public houses.

Mr. Arnold Clayman, chairman, said yesterday that together Variety Inns and Martins Taverns would contribute significantly to the group's earnings. First, however, the group would be able to make substantial savings in head office administration and directors' payments. The strong cash flow from Variety Inns, particularly in the winter months, would benefit the group's own cash flow position, he said.

The last year's results to December 1979 showed pretax profits of £471,000 on turnover of £5.4m. The total dividend payments for the year were £44,000, which compared with £504,000 profits in the previous year. The last accounts showed a property revaluation of fixed assets giving a surplus of £1.17m.

The Prince of Wales group's other hotels in Blackpool, Chester, Harrogate, Brighton, and two apiece in Southport and the Lake District. Mr. C. Martins, the managing director of Martins Taverns, holds the remaining 25 per cent stake in that group.

Hume Industries

Hume Industries (Malaysia) recorded a 77.3 per cent rise in group pretax profits in the six months to December 31, to 11.4m ringgits (£2.3m).

Riding the Malaysian construction boom, the construction materials concern saw sales surge 115.6 per cent to 102.2m ringgits. The interim dividend was left unchanged at 6p per cent despite the company's enlarged capital compared with the year-earlier period.

Credit Suisse up 14pc

Credit Suisse, one of the three largest banks in Switzerland, has reported a 14 per cent rise in net profits for 1980. Net profits were 281m francs (£65m) and rose by 14.2 per cent to 321m francs. The board has described the results as "satisfactory".

Bank Hapoalim

Bank Hapoalim, Israel's second largest bank, has ended 1980 with a 21.2 per cent rise in its balance sheet to \$17,000m. Net consolidated profits for the year rose from \$56.9m to \$69.7m.

Business appointments

Glynwed Foundries board
has two new directors

Two new managing directors at Glynwed Foundries are: Mr. Jeffrey Bernstein, director, who has been promoted to managing director of the company's building products division and Mr. Harry T. Greffield, formerly director and general manager of the automotive and engineering castings division, who becomes managing director of that division. Mr. Kenneth Cusack has been made director of the National Coal Board's Road Transport Service. He was previously commercial manager of the service and succeeds Mr. E. V. Mclyneux who is to retire.

Mr. Dennis S. Oliver has become a member of the board of Anglo-American Venture Fund.

Mr. Brian Thomas has been made deputy managing director of Treble Acoustics.

Mr. John H. Lutz is now finance director and company secretary of Interlube Systems, a member of the Tecomat Group of Companies.

Low and Bonar can clinch £4m deal

By Our Financial Staff

Approval has now been given by the Canadian Foreign Investment Review Authority for the CS11m (£4m) cash deal by which the Low and Bonar group, of Dundee, which operates internationally in packaging, engineering, textiles and travel, will buy the 45 per cent minority interest of Bemis Company Inc. of Minneapolis, United States, in their jointly-owned Western Canadian Packaging Company.

The deal will put all Low and Bonar's £32m 14-plant Canadian packaging network into one company, Bonar Packaging. It will strengthen the Group's North American operation.

In 1979 the group established a new packaging plant in Georgia for the manufacture and distribution of bulk containers.

No further payment
yet by Swan Hunter

Liquidators at Swan Hunter Group say they cannot estimate when any further distribution

can be made, or when the liquidation will be complete. Mr. P. W. Burrows and Mr. B. H. Larkins, liquidators, said that complex matters remain and although progress has been made towards their clarification it is not yet possible to forecast how soon or to what extent the provisions for contingent liabilities can be released.

The first cash distribution to shareholders was in 1979 at the same time as Goforth Industrial Holdings acquired the non-nationalized parts of the group.

'Sugar supply less
tight than expected'

E. D. and F. Man, the sugar dealer, has reported that sugar supply in the current season has been less tight than anticipated, due to reduced consumption and another excellent EEC crop.

Man, in a report dated February 27, said the lower consumption was due to recession and corn sweetener substitution. It is clear market tempo is slowing, it said, noting that prices for 1983 deliveries are close to 20 cents, while nearer positions have fallen some 50 per cent in the past 16 weeks.

Pretoria Portland
cancels UK listing

Pretoria Portland Cement, the South African building material maker, has cancelled its listing on the London Stock Exchange. The company, only 2 per cent of whose shareholders are resident in the United Kingdom, said last month that it would apply for de-listing.

NCC Energy in US
Housekeeping

NCC Energy and Ni-Cal Developments report that Ni-Cal's United States subsidiary, California Nickel Corporation, has signed a contract with Kaiser Engineers Inc for the completion of a final feasibility study for the development of a \$250m strategic

minerals complex in Northern California.

NCC Energy's acquisition of a further 339,649 shares of Ni-Cal's common stock has been approved by shareholders and Mr. Graham Ferguson-Lacey, chairman of NCC Energy, has been appointed to the board of Ni-Cal Developments.

Allied Textile's
qualified accounts

Allied Textile Companies, the Yorkshire worsted spinner, has had its accounts qualified by accountants Armitage & Norton who were unable to verify a £250,000 provision for further estimated rationalization costs. Allied has taken a cautious attitude towards parts of the business whose future is uncertain, accounting for them on a break-up rather than going concern basis.

Allied, which showed cash and investments of £5.2m in the balance sheet, says there is no sign of an improvement in trading.

Preliminary Results from
Royal Insurance

PRELIMINARY RESULTS FOR 1980

The profit before taxation was £122.5m (1979 £131.5m). This compares with the forecast of £120m made last December at the time of the rights issue. Net profit attributable to stockholders was £70.2m. The comparative figure for 1979 is £73.8m being the net profit before the addition of the special long-term insurance profit item relating to 1975/78. As forecast at the time of the rights issue, the recommended final dividend is 14.75p per 25p unit of stock making a total for the year of 24.0p (1979 21.5p)—an increase of 11.6 per cent.

The audited accounts are due to be published on 21st April 1981. Preliminary unaudited figures for the year 1980, with the comparable figures for the year 1979, are as follows:—

	Year 1980 £m	Year 1979 £m
General Insurance:		
Premiums Written	1,241.6	1,225.1
Underwriting Result	-40.4	-16.5
Investment Income	146.7	133.0
Long-term insurance profits	10.0	7.7
Share of Associated Companies' profit	6.2	7.3
Profit before taxation	122.5	131.5
Less: Taxation	51.5	56.8
Minority interests	0.8	0.9
Net profit after taxation and minorities	70.2	73.8
Balance after tax of stockholders' long-term insurance profits 1975/78	—	7.2
Net profit attributable to the stockholders	70.2	81.0
(pence per unit)	(46.5p)	(53.9p)
Dividends for the year	41.7	32.4
(pence per unit)	(24.0p)	(21.5p)
Transfer to retained profits	28.5	48.6

EXCHANGE RATES

In the above figures, foreign currency has been translated according to our normal practice at approximately the average rates of exchange ruling during the period. The principal rates were:—

USA	\$2.33	\$2.12
Canada	\$2.72	\$2.49
Netherlands	Fls 4.63	Fls 4.26
Australia	\$2.04	\$1.90

Premiums written in 1980 have been depressed in sterling terms in comparison with 1979 due to movements in exchange rates. The underlying premium growth was 8 per cent.

The effect of changes in exchange rates in the comparison of the year's results was to depress the profit before taxation by £5.3m: the underwriting result benefited by £4.3m, but the investment income was adversely affected by £9.6m. The underlying growth in investment income was 17.6 per cent.

UNDERWRITING RESULTS

	Year 1980 £m	Year 1979 £m
USA	-16.1	-8.2
UK and Irish Republic	10.4	5.6
Canada	-24.1	-14.9
Netherlands	4.3	5.1
Australia	-8.5	-4.0
Other Overseas	-6.4	-0.1
	-40.4	-16.5

In the United States our very important commercial multi-peril business again produced a profit, though considerably lower than in 1979. In all other major lines there were losses, in most cases larger than in 1979. Workers' compensation and personal motor business, however, showed reduced losses.

In the United Kingdom there was again a satisfactory underwriting result. Almost all major lines of business were profitable. Property results benefited from the generally favourable weather conditions and the reduction in the industrial fire damage costs in the second half of the year. The liability underwriting experience was adversely affected by the substantial increase in average claims costs.

In Canada as a result of the very difficult market conditions obtaining throughout the year, brought about by intense competition and the consequent absence of rate increases, all major lines with the exception of liability made losses.

In the Netherlands the satisfactory result for the year was due to the continued profitability of the large motor account. There were underwriting losses on most other lines.

In Australia, market conditions remained difficult and there were heavy underwriting losses in most major lines with a particularly marked deterioration in workers' compensation.

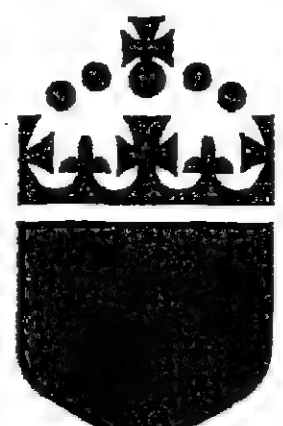
In Other Overseas the sharply increased underwriting loss reflects the worsening market conditions in many of the countries in which we operate. There was a breakeven result on overseas business written in the United Kingdom.

The operating ratios for the USA on the US statutory basis are:—

	Year 1980	Year 1979
Claims as % of earned premiums	69.0	68.3
Expenses as % of written premiums	33.4	32.5
	102.4	100.8

FINAL DIVIDEND

The directors propose to recommend to the stockholders that at the annual general meeting, to be held on 14th May 1981, a final dividend be declared of 14.75p per 25p unit of stock to be paid on 22nd May 1981. This dividend will be payable on the capital as increased by the rights issue to stockholders registered at the close of business on 24th April 1981. This together with the interim dividend of 9.25p already paid will make a total distribution of 24.0p per unit of stock for the year 1980 compared with 21.5p for 1979. With the addition of stockholders' tax credit the equivalent "gross" dividend for the year at the current rate of tax is 34.29p.



Group Head Office, 1 Cornhill, London EC3V 3QR

M. J. H. Nightingale & Co. Limited

27/28 Loyal Lane London EC3R 8EB Telephone 01-621 1212

The Over-the-Counter Market

1980/81	1979/80	Company	Price	Chgs	Gross Divid	Yld %	P/E
High	Low						
75	39	Airsprung Group	63	—	6.7	10.6	5.7
44	21	Armitage & Rhodes	43	—	1.4	3.3	17.7
192	924	Bardon Hill	189	—	9.7	5.1	7.1
98	88	Deborah Services	92.5d	—	5.5	6.0	4.6
126	88	Frank Horsell	106	—	6.4	6.0	3.3
110	51	Frederick Parker	50	—	11.0	22.0	2.3
110	74	George Blair	75	—	3.1	4.1	—
110	59	Jackson Group	107	—	6.9	6.4	4.1
124	103	James Burrough	119	—	7.9	6.6	9.8
334	244	Robert Jenkins	330	—	31.3	9.5	—
55	50	Scruttons "A"	52	—	5.3	10.2	3.8
224	215	Torday Limited	216	—	15.1	7.0	3.7
23	10	Twinkl Oak	11	—	—	—	—
90	69	Twinkl 15% ULS	71	—	15.0	21.1	—
56	35	Unilock Holdings	42	—	3.0	7.1	6.5
103	81	Walter Alexander	103	—	5.7	5.5	5.7
263	181	W. S. Yeates	260	—	12.1	4.7	4.2

Commodities

[illegible][illegible]

F. H. Tomkins sale
to Braswary

"F. H. Tomkins' subsidiary Woden Steel and Fasteners has sold the fastener factory and current assets comprising part of the freehold premises at Woden Works, Wensbury, and certain plant, stock, machinery and stocks relating to its steel department, Braswary has also undertaken to discharge certain liabilities of that department, consideration £189,000, cash.

Dec. 141.00-36.00; Feb. 141.00-46.00; Apr. 141.00-46.00. Sales: 100 tons. Certain trade debtors will be collected by Brawley for Tomkins and will be paid over by weekly transfer as collected. No part of the latest published profits of Tomkins relate to the assets being disposed of.

[illegible]

Discount

The discount houses required help on an unprecedented scale from the Bank of England yesterday. It clearly reached proportions of something like £1,400m. The overwhelming factor with which the market had to cope was the payer to the Exchequer of about £1,250m of PRT. In addition, though dwarfed into insignificance, there was a moderate quantity of eligible bank bills maturing in official hands.

Foreign exchange report

Very active and nervous at first, foreign exchange markets subsided after the London close down considerably yesterday.

Sterling which at one stage slipped to £2.1652—the lowest level since early-April last year—recovered during the mid-session session relatively steady in later trading.

Against the dollar, the pound gave up 245 points at £2.1805, while its trade-weighted index fell from 97.1 to 96.9.

The dollar rose from a low of 96.1 to end only 0.2 points lower at 96.7 from 96.9 on Friday.

Dollars said speculation over a possible rise in interest rates was the main reason for sterling's decline, but there was also some selling pressure because of the rising price of oil.

Higher Eurodollar deposit rates reflecting the view that United States interest rates may rise were another factor.

A number of firms reported the United States currency to useful gains at the expense of the Deutsch-marks at the close of the day.

The Swiss franc, however, lost ground to the dollar, -1.9795 (-1.9673).

Sterling: Spot and Forward

	Market index 1980=100	Market index 1980=100
New York	12,160-1820	8,210-1800
Al Montreal	32,810-6250	52,520-6400
Amsterdam	100-100	100-100
Brussels	107-1650	76-70-6
Copenhagen	14,57-14,71k	14,64-84
Dublin	11,270-12,30k	11,81-12-4
Frankfurt	124-100-125	123-100-125
Lisbon	124,00-125,20k	100,85-116
Madrid	100-100-125	100,85-116
Milan	100-100-125	100,85-116
Paris	100-100-125	100,85-116
Stockholm	100-100-125	100,85-116
Vienna	100-100-125	100,85-116
Zurich	100-100-125	100,85-116

1 month
0 40-0.50c disc
0.70-0.80c disc
1-1c prem
10c premi-par
200-400c prem
05-31p disc
12p premi-2p disc
28-32c disc
15-22c disc
41-61p disc
180-600c prem
1c premi-3c disc
165-240c disc
235-205c prem
32p premi-32p
24-1c prem

Other

Markets

Australia	1.8790-1.8840
Bahrain	8190-8220
Finland	8 87-9.11
France	109.90-111.90
Hong Kong	11 6430-11.6530
Iran	Not available
Kuwait	5955-5985
Malaysia	5.0190-5.0490
Mexico	5.0580-5.0215
New Zealand	2.9710-3.0910
Saudi Arabia	7.2599-7.2690
Singapore	4.5740-4.6040
South Africa	1.7100-1.7250

Indice

Bank of Morgan England Guaranty Index Changes		
Sterling	98.7	+2.3
U.S. dollar	101.4	-3.0
Canadian dollar	88.7	-15.5
Swiss franc	115.0	-2.0
Belgian franc	107.2	+2.2
Danish kroner	85.0	+2.2
Swedish mark	119.7	+3.4
Scandinavian	115.0	+2.0
Deutscher	112.0	+2.5
French franc	85.6	-10.2
Lira	61.3	-52.4
Yen	14.2	+0.8

Based on trade weighted changes
from Washington agreement
December 1971.
Bank of England Index 100.

Dollar Spot

Rates	
* Ireland	1.70
* Canada	0.8310-0
Netherlands	2.5750-2
Belgium	35.19
Denmark	6.7380-6
West Germany	2.1820-2
Portugal	57.40
Spain	87.60
Italy	3.46
Norway	5.46
France	5.0680-3
Sweden	4.6650-4
Japan	210.90-2
Austria	15.25
Switzerland	1.97

* Ireland quoted in U.S. currency
 * Canada \$1 : U.S. \$1.2032-1

Money Market

Rates

Bank of England MLN 14%
(Last changed 24/1/88)

Clearing Bank's Base Rate 14%

Discount MLN Loans 5%
Overnight: High 14 Low 14

Week Fixed: 14-15%

Treasury Bills (Dis%)

Buying	Selling
2 months 12 1/4	3 months 12 1/4
3 months 11 3/4	3 months 12 1/4

Prime Bank Bill (Dis%) Tender (Dis%)

2 months 12 1/4	1 month 12 1/4
-----------------	----------------

Wall Street

New York, March 2.—Stocks on the New York Stock Exchange closed higher in moderate trading as the NYSE index rose 0.45 to 75.58 and the average price share 21 cents. The Dow Jones industrial average gained 3.41 to 977.99 and advances' led decline 911 to 650 as turnover slowed to 474,000 shares from 53,210, Friday.

The oils bounced back after being soft in recent sessions. Standard International gained 13 to 51 its fourth quarter profit doubled. Standard Oil (Indiana) rose 11 to 68 1/2. Exxon 4 to 72 1/2 and Mobil 4 to 68 1/2.

Among Airlines UAL Incorporated gained one to 244, and American Airlines rose 8 to 224, both in trading. A 300,000-share block of American moved at 124. Delta rose 14 to 688, United rose 10 to 204, and Northwest rose 10 to 293.

Continental Airlines rose 4 to 122, but Western Airlines lost 10 to 82 and Texas Air 4 to 113. The American Airlines board of directors' special committee, headed by the board's chairman, gave tentative approval both to the proposed merger of Continental and Western and to Texas Air's request to be taken private.

Steel firms had mixed fortunes. Steelco rose 10 to 224, Bethlehem Steel rose 10 to 264 and active LTV rose 10 to 224.

Among gold shares, ASA rose 24 to 45, Dome Mines 31 to 74, Homestake 11 to 464 and Campbell Red Lake 21 to 452.

U.S. commodities

SILVER futures closed at 10-mo-
nths' high, with spot March closing 6
cents to \$11.02 an ounce. Prices were
offered down the 90-cent limit for
opening until the close. Thus, forward
prices to liquidate via futures in
spot month, March, 1.137.
1.153.00c. Apr., 1.132.50c. S.
1.200.00c. July, 1.235.00c. S.
1.250.00c. Oct., 1.265.00c. S.
1.259.00c. March, 1.372.50c. S.
1.106.00c. July, 1.239.50c. S.
1.473.00c. Dec., 1.523.00c. S.

GOLDS eased under pressure from
a weaker dollar, with spot gold rising to \$462.50
an ounce, down \$4.50 from \$467.00.
CHICAGO IBM—June, \$545.00; S.

EMS Currency Rates

	ECU central rates	currency against ECU	% ch from rate
Belgian franc	39.7897	41.6579	+4.4
Danish krone	7.2236	7.9420	+9.3
German D-mark	4.8208	2.54518	+32.2
French franc	5.4706	5.98549	+9.2
Dutch guilder	2.74362	2.81627	+2.6
Irish punt	0.665201	0.694293	+4.3
Italian lira	1157.79	1226.44	+5.9

Rates

change in central rate	change adjusted ^a	diver- gence limi- tation
+4.70	+1.41	1.53
+3.10	-0.19	1.84
+2.54	-0.73	1.12
+2.37	-0.92	1.35
+2.72	-0.57	2.51
+3.20	+0.80	1.66
+3.93	+2.64	4.08

3 months	115 ¹⁴ -115 ¹⁴	4 months	122 ¹⁴
4 months	115 ¹⁴ -115 ¹⁴	6 months	122 ¹⁴
6 months	117 ¹⁴ -117 ¹⁴		

Local Authority Bonds			
1 month	14-14 1/2	7 months	12-12 1/2
2 months	13-13 1/2	8 months	12-12 1/2
3 months	12-12 1/2	9 months	12-12 1/2
4 months	12-12 1/2	10 months	12-12 1/2
5 months	12-12 1/2	11 months	12-12 1/2
6 months	12-12 1/2	12 months	12-12 1/2

Secondary Mkt. TCD Rates (%)			
1 month	14-15 1/2	6 months	12-12 1/2
2 months	13 1/2-14 1/2	7 months	12-12 1/2

† changes are for the ECU therefore currency.

Euro-\$ Deposits
(%) calls, 14½-15%, seven days,
15½-16%, one month, 16½-17%,
three months, 18½-19%, six
months, 17½-17¾.

positive change denotes

Gold
Gold (Mediam, \$429.50 (an
pm), \$465.50 (close), \$465.8.
Frugerrand (per coin):
1226-2212.
Sovereigns (new): \$119-121
532).

3 months	12-15-16	12 months	12-15-16
2 days	16	3 months	12-15-16

7 days	16-17	5 months	12
1 month	14	1 year	12

Interbank Market (%)

Overnight	Open 15-17	Close	35-38
1 week	17-17	6 months	12-12
1 month	14-14	12 months	12-12
3 months	13-13	12 months	12-12

First Class Finance Houses (Mth. Rate%)

3 months	13	6 months	12
----------	----	----------	----

Finance House Base Rate 14%

Authorized Units, Insurance & Offshore Funds

[illegible]

Quiet start to account

§ Forward bargains are permitted on two previous days

[illegible]

Salerooms and Antiques

Sotheby's

FOUNDED 1744

New Bond Street

Sotheby's Packe Benet & Co., 34-35 New Bond Street, London W1A 2AA Telephone: (01) 493 3080

Wednesday 4th March at 10.30 am
JAPANESE PAINTINGS, DRAWINGS, LACQUER
WARES AND SCULPTURE Cat. (73 illus.) £1-30

Wednesday 4th March at 10.30 am and 2.30 pm
19th CENTURY EUROPEAN PAINTINGS,
DRAWINGS AND WATERCOLOURS
Cat. (86 illus.) £1-2

Thursday 5th March at 10.30 am
RUSSIAN PAINTINGS, DRAWINGS,
WATERCOLOURS AND SCULPTURE
Cat. (111 illus.) £1-6

Thursday 5th March at 10.30 am and 2.30 pm
at the Conduit Street Gallery, 26 Conduit Street, W1
WATCHES, SCIENTIFIC INSTRUMENTS AND
CLOCKS Cat. (33 illus.) £1-50

Friday 6th March at 10.30 am
ORIENTAL RUGS AND CARPETS
and at 11 am
ENGLISH FURNITURE, PAINTINGS ON
GLASS AND WORKS OF ART Cat. (20 illus.) £1-30

Friday 6th March at 10.30 am
FINE AND RARE WINES, SPIRITS, VINTAGE
PORT AND CIGARS Cat. £1

Other salerooms and offices: Bournemouth (0202) 294425/6; Cambridge (0223) 676245; Cheltenham (0424) 519500; Edinburgh (031) 226 7207;
Glasgow (0437) 221 4817; Harrogate (0423) 501466; Slane Drogheda 24401; Taunton (0823) 88441; Torquay (0803) 26277

Belgravia

Sotheby's Belgravia, 19 Motcomb Street, London SW1X 8LB Telephone: (01) 235 4311

Wednesday 4th March at 10.30 am and 2.30 pm
COSTUMES AND TEXTILES 1500-1960
Cat. (109 illus.) £1-25

Thursday 5th March at 10.30 am and 2.30 pm
JAPANESE CERAMICS, WORKS OF ART AND
FURNITURE Cat. (158 illus.) £1-50

Thursday 5th March at 10.30 am and 2.30 pm
VICTORIAN PAINTINGS, DRAWINGS AND
WATERCOLOURS Cat. (90 illus.) £1-40

Chancery Lane
715, Chancery Lane (Hodgson's Rooms)
London WC2A 1PX Telephone: (01) 495 7238

Thursday 5th March and following day at 1 pm
PRINTED BOOKS Cat. £1

Catalogues may be purchased at our salerooms or by post
from Catalogue Department,
34-35 New Bond Street, London W1A 2AA

Chester

Sotheby's Chester, 20-22 Watergate Street, Chester CH1 2NA Telephone: (0244) 315531

Thursday 12th March at 11.30 am and 2.30 pm
GOOD 18th AND 19th CENTURY FURNITURE,
EASTERN CARPETS AND RUGS, WORKS OF
ART INCLUDING BRONZES, FINE WATCHES
AND CLOCKS Cat. £1-5

Pulborough
Sotheby's King and Chasemore, Station Road,
Pulborough, West Sussex RH20 1AJ
Telephone: (07982) 3831

Thursday 12th March at 11.30 am and 2.30 pm
MINIATURES, PRINTS, WATERCOLOURS
AND OIL PAINTINGS, ALSO STUDIO
COLLECTIONS BY THOMAS NICHOLSON
TYNDAL AND WILLIAM BRIGHT MORRIS
Cat. £1-50

Sotheby's Collectors' Week 6th - 10th April
A five day programme based on our Belgravia salerooms
which aims to introduce collectors, or would be collectors,
to a limited budget. Fee: £130 plus VAT. For further
information please telephone (01) 937 2554



8 King Street, St James's
London SW1Y 6QT. Tel: 01-839 9060
Telex 916429 Telegrams CHRISTIART
London SW1

Today, Tuesday, 3 March at 10.30 a.m.
ART NOUVEAU, ART DECO AND STUDIO POTTERY.
Catalogue £3.20

Wednesday, 4 March at 11 a.m. and 2.30 p.m.
CHINESE CERAMICS AND WORKS OF ART.
Catalogue £1.50

Friday, 6 March at 11 a.m.
IMPORTANT VICTORIAN PICTURES. Catalogue £5.

Thursday, 12 March at 11 a.m. and 2.30 p.m.
FINE ENGLISH FURNITURE, EASTERN RUGS AND
CARPETS. Catalogue £4.50

Friday, 13 March at 10.30 a.m.
MODERN BRITISH AND IRISH PAINTINGS,
DRAWINGS AND SCULPTURE. Catalogue £4.

All catalogue prices are post paid.
All sales subject to the conditions printed in the
catalogue.

For details of sales at Christie's South Kensington,
please contact: 85 Old Brompton Road, London S.W.7.
Tel.: (01) 581 2231.

CHRISTIE'S AGENTS IN BRITAIN AND IRELAND

Inverness:
Jack Buchanan Tel: (0463) 34603
Ayr:
Sir Ray Campbell, Bt. Tel: (0493) 286
Edinburgh:
Michael Clayton, Tel: (031) 225 4757
Northampton:
Aidan Cuthbert, Tel: (04347) 3181
North-West:
Victor Gubbins, Tel: (0718) 66766
Yorkshire:
Nicholas Brooksbank, Tel: (0904) 30911
West-Midlands:
Michael Thompson, Tel: (0462) 61891
East Anglia:
Henry Bowring, Tel: (0603) 614546
Cheltenham:
Philip Leatham and Rupert de Zoete, Tel: (0242) 518999
Mid-Wales:
Sir Andrew Duff Gordon, Bt. Tel: (0242) 518999
Hampshire:
Doris Wray, Tel: (0264) 3750
West Country:
Richard de Pelet, Tel: (0963) 70518
Nigel Thimbleby, Tel: (0305) 08748
Devon & Cornwall:
Christopher Pethrick, Tel: (0726) 64672
Ireland:
Donald Fitz-Gerald, The Knight of Glia,
Tel: (0001) 680585/69325
Northern Ireland:
John Lewis-Crosby, Tel: (0396) 850574
Isle of Man:
Quentin Agnew-Somerville, Tel: (0624) 813 724
Channel Islands:
Richard de La Hay, Tel: (0534) 77582

Books, Books, Books

Auction No. 13 of Numismatic Literature
on March 18th.

Coins, Coins, Coins

Auction No. 14 of English Gold Coins
on March 19th.

Both sales at Quaglin's.

Catalogues on request.

Spink

Spink & Son Limited
King Street, St James's, London SW1
Telephone 01-839 9060 (4 lines)
Established 1666

DAVID BLACK

ORIENTAL CARPETS
96 Portland Road W11
Tel: 01-727 2566

BUY

Spink

Spink & Son Limited
King Street, St James's, London SW1
Telephone 01-839 9060 (4 lines)
Established 1666

DAVID BLACK

ORIENTAL CARPETS
96 Portland Road W11
Tel: 01-727 2566

BUY

Spink

Spink & Son Limited
King Street, St James's, London SW1
Telephone 01-839 9060 (4 lines)
Established 1666

DAVID BLACK

ORIENTAL CARPETS
96 Portland Road W11
Tel: 01-727 2566

BUY

Spink

Spink & Son Limited
King Street, St James's, London SW1
Telephone 01-839 9060 (4 lines)
Established 1666

DAVID BLACK

ORIENTAL CARPETS
96 Portland Road W11
Tel: 01-727 2566

BUY

Spink

Spink & Son Limited
King Street, St James's, London SW1
Telephone 01-839 9060 (4 lines)
Established 1666

DAVID BLACK

ORIENTAL CARPETS
96 Portland Road W11
Tel: 01-727 2566

BUY

Spink

Spink & Son Limited
King Street, St James's, London SW1
Telephone 01-839 9060 (4 lines)
Established 1666

DAVID BLACK

ORIENTAL CARPETS
96 Portland Road W11
Tel: 01-727 2566

BUY

Spink

Spink & Son Limited
King Street, St James's, London SW1
Telephone 01-839 9060 (4 lines)
Established 1666

DAVID BLACK

ORIENTAL CARPETS
96 Portland Road W11
Tel: 01-727 2566

BUY

Spink

Spink & Son Limited
King Street, St James's, London SW1
Telephone 01-839 9060 (4 lines)
Established 1666

DAVID BLACK

ORIENTAL CARPETS
96 Portland Road W11
Tel: 01-727 2566

BUY

Spink

Spink & Son Limited
King Street, St James's, London SW1
Telephone 01-839 9060 (4 lines)
Established 1666

DAVID BLACK

ORIENTAL CARPETS
96 Portland Road W11
Tel: 01-727 2566

BUY

Spink

Spink & Son Limited
King Street, St James's, London SW1
Telephone 01-839 9060 (4 lines)
Established 1666

DAVID BLACK

ORIENTAL CARPETS
96 Portland Road W11
Tel: 01-727 2566

BUY

Spink

Spink & Son Limited
King Street, St James's, London SW1
Telephone 01-839 9060 (4 lines)
Established 1666

DAVID BLACK

ORIENTAL CARPETS
96 Portland Road W11
Tel: 01-727 2566

BUY

Spink

Spink & Son Limited
King Street, St James's, London SW1
Telephone 01-839 9060 (4 lines)
Established 1666

STEWART WARD

CURRENT PRICES

Elizabeth Sovereigns £54 £55

Krugersands £230 £232

Half Sovereigns £29 £34

George & Edward

Sovereigns £51 £56

at their West End Offices
81 New Bond St, New Bond St,
London W1. Tel: 01-839 6188.

All transactions in cash. Gold
denominated on quality and mar-
kets. Gold at \$200 (\$2.25).

The above prices are for
single coins, discounts on
quantity.

MEDALS

Orders, decorations and
medals purchased. Con-
sult Brian Woodcraft our
specialist. No commis-
sion and immediate
settlement.

William Whelan Ltd.
8-9 Crown Passage, Pall Mall,
St James's, London SW1W 6PP
Telephone 01 930 3995/8547

Harrods

ESTATE OFFICES

This week's

AUCTION SALES

Wednesday the 4th

CARPETS & RUGS

at 10 a.m.

ANTIQUES & MODERN

FURNITURE

at 10 a.m.

SECONDARY SALE

at 2.30 p.m.

Thursday the 5th

CHINA, GLASS, etc.

at 10 a.m.

SILVER, PLATED WARE

& JEWELLERY

at 2 p.m.

View today till 4.30 p.m.

ARUNDEL TERRACE,
BARNES, S.W.14

By Harrods Estate Agents
Tel: 748 2738/2800

Future Specialised Sale

19th March - Books

2nd April - Textiles

Entries accepted
all day week

OVERSEAS PROPERTY

FRANCE - Beaumont Chateau Louis
XIII, 17th cent. 1200 sq. ft., 10
rooms, 20 acres, panoramic
views, 15000 P.F. Tel. (1)
742 88 54.

ITALY - 17000 P.F. Tel. (1)
742 88 54.

SPAIN - 17000 P.F. Tel. (1)
742 88 54.

PORTUGAL - 17000 P.F. Tel. (1)
742 88 54.

GREECE - 17000 P.F. Tel. (1)
742 88 54.

NETHERLANDS - 17000 P.F. Tel. (1)
742 88 54.

GERMANY - 17000 P.F. Tel. (1)
742 88 54.

AUSTRIA - 17000 P.F. Tel. (1)
742 88 54.

SWITZERLAND - 17000 P.F. Tel. (1)
742 88 54.

SCOTLAND - 17000 P.F. Tel. (1)
742 88 54.

IRELAND - 17000 P.F. Tel. (1)
742 88 54.

UNITED STATES - 17000 P.F. Tel. (1)
742 88 54.

CANADA - 17000 P.F. Tel. (1)
742 88 54.

MEXICO - 17000 P.F. Tel. (1)
742 88 54.

CARIBBEAN - 17000 P.F. Tel. (1)
742 88 54.

AFRICA - 17000 P.F. Tel. (1)
742 88 54.

ASIA - 17000 P.F. Tel. (1)
742 88 54.

AUSTRALIA - 17000 P.F. Tel. (1)
742 88 54.

NEW ZEALAND - 17000 P.F. Tel. (1)
742 88 54.

ANTARCTICA - 17000 P.F. Tel. (1)
742 88 54.

Other countries - 17000 P.F. Tel. (1)
742 88 54.

For full details of all the properties
available, please contact Harrods
Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Harrods Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Harrods Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Harrods Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Harrods Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Harrods Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Harrods Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Harrods Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Harrods Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Harrods Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Harrods Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Harrods Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Harrods Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Harrods Estate Agents, 17000 P.F. Tel. (1)
742 88 54.

Legal Appointments

CLYDE & CO., solicitors with offices in London, Guildford and Hong Kong have a vacancy in their GUILDFORD office for a

Young Solicitor for Commercial Litigation

Clyde & Co. require a Solicitor, recently qualified or with up to two years' post qualification experience, to conduct international shipping, insurance and transport work including advising on and handling disputes in this country and many foreign jurisdictions, involving a wide variety of legal and commercial problems. Preference will be given to candidates with a good academic record and experience in commercial litigation. The rewards and prospects in this expanding firm are excellent.

Mrs. I.M. Brown, Ref: 1922R/T. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6852, Sutherland House, 5/6 Argyle Street, LONDON, W1E 6EZ.

Hoggett Bowers Executive Selection Consultants

BIRMINGHAM CARDIFF GLASGOW LEEDS LONDON MANCHESTER NEWCASTLE NOTTINGHAM SHEFFIELD

CONVEYANCING PARTNER of Calibre

A large and prestigious firm of solicitors in central London seeks a partner to play a significant role in the management and further development of its property department. The department undertakes substantial and highly sophisticated work. Although the successful applicant will be very knowledgeable and competent in this field, he/she will also have management ability and a flair for creative thinking and decisive action. Standards of the highest integrity will be required. The person appointed will be offered either an equity partnership or a salaried partnership with a view to future equity, and in either case will earn a substantial income with the opportunity of an exciting and fulfilling career. Please write to A. M. Mallett quoting reference 966/TI on both envelope and letter. Include on a separate sheet the names of any firms to whom we may not forward your application.